HALDIMAND-NORFOLK REGIONAL REVIEW

A Reappraisal of the Regional Government Structure

December 1989

Honourable L.T. Pennell P.C. Q.C.
Review Chairman

James Fairlie
Research Director

91-04673/

REPORT OF THE HALDIMAND-NORFOLK BOARD OF REVIEW

The Honourable John Sweeney
Minister of Municipal Affairs
For the Province of Ontario

Dear Sir:

I, the undersigned Chairman of the Haldimand-Norfolk "Board of Review", having been appointed by Order-in-Council, 1898/87, to undertake a reappraisal of local government in the Regional Municipality of Haldimand-Norfolk in accordance with the Terms of Reference attached to that Order-in-Council, respectfully submit to you the accompanying Report.

L.T Pennell

L.T Pennell
Lawrence T Pennell,
Chairman,
Board of Review

FOREWORD

A word of caution to the reader:

As chairman of a board of one, I had the duty to reappraise and report on the area municipalities and regional government in the Regional Municipality of Haldimand-Norfolk. However, the personal pronoun "I" would not be accurate if used in writing this report. It would be a mere concession to technicality; I am indebted to others for their valuable help. To use the impersonal pronoun "We" is to make the underlying reality what it is.

Yet I wish to make it meticulously plain that I accept full responsibility for the views and recommendations exposed in this report.

TABLE OF CONTENTS

LETTER OF TRANSMITTAL

FOREWORD i

LIST OF TABLES iv

MAP OF THE FORMER AND PRESENT BOUNDARIES IN HALDIMAND-NORFOLK vi

PART I

PURPOSE AND PROCEDURES

CHAPTER 1: INTRODUCTION 1

CHAPTER 2: THE REVIEW PROCEDURE 3

CHAPTER 3: ORIGINS 12

CHAPTER 4: HALDIMAND-NORFOLK AND ITS PEOPLE 17

CHAPTER 5: REGIONAL ECONOMIC CONDITIONS 25

CHAPTER 6: METHOD OF APPROACH 38

PART II

EXISTING REGIONAL GOVERNMENT STRUCTURE

CHAPTER 7: PLANNING 41

CHAPTER 8: BUILDING AND PLUMBING INSPECTION

CHAPTER 9: ECONOMIC DEVELOPMENT 59

CHAPTER 10: PERSONNEL SERVICES 78

CHAPTER 11: HEALTH SERVICES 82

CHAPTER 12: SOCIAL SERVICES 93

CHAPTER 13: POLICE SERVICES 101

CHAPTER 14: ROAD SYSTEMS 118

CHAPTER 15: WATER AND SANITARY SEWER SYSTEMS 130

CHAPTER 16: WASTE MANAGEMENT 137

CHAPTER 17: THE HYDRO ELECTRIC COMMISSIONS 141

CHAPTER 18: REPRESENTATION AND ACCOUNTABILITY 146

CHAPTER 19: PROVINCIAL/MUNICIPAL RELATIONS 163

CHAPTER 20: OTHER MATTERS 171

CHAPTER 21: LOCAL RESOURCE EQUALIZATION GRANT 174

PART III

CHOOSING A POSSIBLE ALTERNATIVE

CHAPTER 22: CHOOSING A POSSIBLE ALTERNATIVE 184
CHAPTER 23: BASIC CHARACTERISTICS 190
CHAPTER 24: A FISCAL QUESTION OF IMPORTANCE 198
CHAPTER 25: ALTERNATIVES: THE PRESCRIBED METHOD OF COMPARISON 217
CHAPTER 26: THE REGIONAL MUNICIPALITY: A FINANCIAL PERSPECTIVE
CHAPTER 27: THE TWO ONE-TIER STRUCTURES 252
CHAPTER 28: THE FINAL APPROACH 269
CHAPTER 29: MAKING THE CHOICE 288
CHAPTER 30: POSTSCRIPT 294
CHAPTER 31: CONSOLIDATED RECOMMENDATIONS 297

FOOTNOTES 306

BIBLIOGRAPHY 307

APPENDIX I: ORGANIZATIONS AND INDIVIDUALS CONTACTED BY THE BOARD OF REVIEW 310
APPENDIX 2: BACKGROUND TABLES 321

LIST OF TABLES

TABLE 33: Population And Area In Hectares For Lower-Tier Municipalities 13

TABLE 81: Value Of Tobacco Produced In Haldimand-Norfolk 26

TABLE 92: Unemployment Percentage Rates For Selected Municipalities, 1981 - 1986 30

TABLE 94: Total Income From Taxable Returns In Selected Municipalityes 31

TABLE 103: Population Projection By Municipality 34

TABLE 253: Comparison Of Cost For Home Care Services 85

TABLE 260: Comparison Of Costs For Public Health Services And Other Health Services For Selected Municipalities 88

TABLE 354: Comparison Of Expenditures Per Lane Kilometre Of Road System For Haldimand-Norfolk, Counties And Other Regions, In 1987 120

TABLE 356: 1987 Expenditures ($000) Per Lane Kilometre Of Road System 121

TABLE 449: Membership On Regional Council According To Number Of Households And Population 150

TABLE 546: Special Levies For The Area Municipality According To Total Weighted Assessment, Number Of Households, Average Weighted Assessment Per Household, And The Assessment Deficiency In 1987 178

TABLE 605: Projected Provincial Unconditional Grant Reductions For Each Alternative, Based On 1987 Grant Formulae 204

TABLE 607: 1987 Actual Tax Burden And Projected Responsibility Under Each Of The Five Possible Options For Urban And Rural Areas 205

TABLE 614: A Review Of The Circumstances Where The Overall Impact Of Tax Changes Are More Significant 209

TABLE 616.a: Comparison Of Municipal Tax Burden For Urban Ratepayers For Each Option 211

TABLE 616.b: Comparison Of Municipal Tax Burden For Rural Ratepayers For Each Option 212

TABLE 618: Per Household Tax Required For Aggregate Taxes Of $200 Per Household 214

TABLE 646: 1987 Actual Tax Upon A Residential Dwelling 224

TABLE 650: Comparison Of The Tax Burden Effect Of Allocating The Regional Element Of Services To Alternatives 4 And 5 225

TABLE 684: Municipal Expenditures Per Household In The Region Of Haldimand-Norfolk And Surrounding Regions And Counties IN 1987 241

TABLE 691: A Comparison Of Grant Entitlements In Haldimand-Norfolk And Surrounding Regions And Counties 245

TABLE 694: Long-Term Debt Per Household Debt Charges As A Percentage Of Revenue Fund Expenditures 247

TABLE 695: 1987 Average Debt Responsibility For Municipalities Surrounding The Municipality Of Haldimand-Norfolk 248

TABLE 697: Annual Surplus (Deficit) As A Percentage Of Net Levy In Haldimand-Norfolk (1984 - 1988) 250

TABLE 705: Distribution For The Two One-Tier Districts By Area, Population And Households, According To District 254

TABLE 710: Possible Arrangement Of Electoral Divisions And Representation 256

TABLE 759: Hypothetical Comparison Of Uniform Rates For The Region And Two Districts In 1987 271

TABLE 760: A Comparison Of Full Uniform Sewage And Water Rates Burden Under The Region And Two One-Tier Districts 273

TABLE 761: A Comparison Of 1987 Actual Tax Responsibility Under The Region And The Projected Tax Burden Under Two One-Tier Districts 274

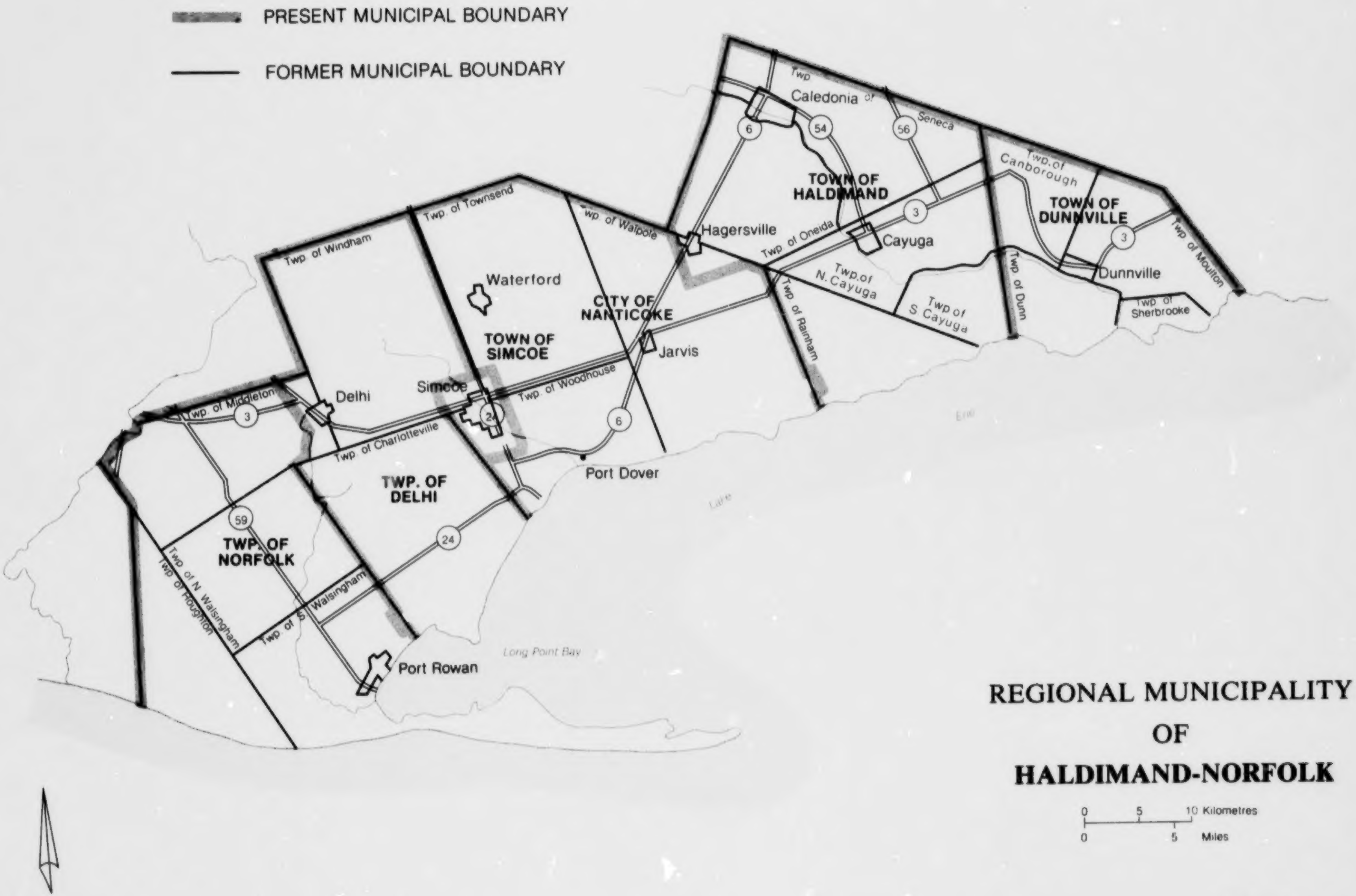
TABLE 771: Tax Burden Dispersion For Urban Ratepayers 277

TABLE 773: Tax Burden Dispersion For Rural Ratepayers 277

TABLE 774: Tax Effort Necessary To Provide Aggregate Tax Revenues To $200 Per Household 278

TABLE 785: Comparison Of Taxes In Select Regions And Counties In 1987, With Totals For All Regions, All Counties, And The Province-Wide Total In 1982 And 1987 284

TABLE 792: Comparison Of Average Annual Residential Tax Burdens For Jurisdictions With Water/Sewer Services Under The Region, And Two One-Tier Structures 286


PRESENT MUNICIPAL BOUNDARY
FORMER MUNICIPAL BOUNDARY
Twp
Caledonia
of
Seneca
6
54
56
TOWN OF HALDIMAND
Twp. of Canborough
TOWN OF DUNNVILLE
3
Hagersville
Twp. of Oneida
Cayuga
Twp. of Moulton
Twp of Walpole
Twp. of Townsend
Twp. of Windham
Waterford
CITY OF NANTICOKE
Twp. of N. Cayuga
Twp of S. Cayuga
Twp of Dunn
Dunnville
Twp. of Sherbrooke
Twp of Rainham
TOWN OF SIMCOE
Jarvis
Simcoe
Delhi
Twp. of Middleton
Twp. of Woodhouse
24
Twp. of Charlotteville
Erie
Port Dover
TWP. OF DELHI
Lake
59
TWP. OF NORFOLK
Twp of N Walsingham
Twp of Houghton
Twp. of S. Walsingham
Long Point Bay
Port Rowan
0 5 10 Kilometres
0 5 Miles

REGIONAL MUNICIPALITY
OF
HALDIMAND-NORFOLK

Ministry of
Municipal
Affairs
Ontario

PART I

PURPOSE AND PROCEDURES

CHAPTER 1

INTRODUCTION

Structure of Report

1. The plan of our Report is divided into five parts.

2. In Part I we set out a brief account of the Board of Review's (the Board's) procedures. We have added to this statement, as accurately as possible, of what Haldimand-Norfolk (the Region) is in its origin, size, population, economic conditions and topography. Much of this description will be regarded as elementary by those intimate with the Region, but some elements are not everywhere appreciated and borne in mind. We feel that the Minister of Municipal Affairs will expect that these matters be set out as a preliminary to the discussion of any local government structure.

3. In Part II we set out our account of "The Existing Regional Government Structure". We report on the critical local government functions in Haldimand-Norfolk and whether and to what extent, if any, it is desirable to extend or restrict functions of the upper and lower tiers of the structure.

4. In Part III which is entitled "Choosing the Alternative" we describe the various suggestions for a possible alternative to the existing local government structure and explain our choice from among them.

5. In Part IV we appraise our chosen alternative against the existing local government structure.

6. Finally in Part V we compendiously set forth considerations and recommendations.

CHAPTER 2

THE REVIEW PROCEDURE

Terms of Reference

7. We were appointed as a Board of Review by an Order-in-Council dated July 30, 1987, bearing the following terms of reference:

   A. **Purpose**
   The Regional Municipality of Haldimand-Norfolk and the Ontario Government have agreed to re-examine the structure in the Region.

   B. **Scope**
   The study to include the Region and its six area municipalities: Nanticoke, Dunnville, Haldimand, Simcoe, Delhi and Norfolk, will address the following:

   (I) **Economic Outlook**
   Major sectors of the Region's economy will be reviewed to provide background for the study of regional government structure.

   (II) **Functions, Costs and Finance**
   The services provided by both the Regional Municipality and area municipalities will be examined.

This examination will include a cost analysis, a review of current financing arrangements for the provision of services, forecasts related to future service requirements and recommendations for the future delivery of services in the Region of Haldimand-Norfolk.

(III) **Representation and Accountability**

The study will examine alternatives-tives to the present form of regional government, including reallocation of services between the Region and the area municipalities, and considering the following:

- fair and equitable municipal representation, decision-making and accountability;
- the projected level and distribution of economic and population growth; and
- the adequacy, efficiency and cost-effectiveness of the delivery of municipal services, including impacts on municipal taxation.

8. The first task was to interpret our terms of reference. Their meaning is to be looked for not in

any single section, but in all the parts together and in the obvious purposes that the provincial government manifested. We look to the impetus out of which the Review and the Terms of Reference grew.

9. We read them in the belief that the government intended to accord the Board of Review very wide latitude. The terms of reference were designed to permit us to consider any aspect of the structure and functions of local government we found relevant. However, we considered the provision of education only peripherally.

10. Although appointed July 30, 1987, we were only able to establish a staff and office November 15, 1987. During that time period, we sought out sources of information to assist in developing an understanding of our task.

11. Because we are dealing with the machinery of local government, we thought it necessary to follow a functional approach in our inquiry. In this connection, we have had to consider, broadly, the question of finance and functional services in relation to the viability of the present (or any possible alternative) structure of local government. In stressing the functional aspect here, we have not forgotten the equally important democratic aspect of local government, as later chapters will show.

12. To better inform ourselves of the problems existing with the present regional government of Haldimand-Norfolk by all reasonable means available to us, we

had to bear in mind that we must try to get a view of the problems in the Region as a whole. We obtained facts and opinions of the elected officials and staff of the local authorities, as well as of members of the public.

13. To do all possible justice to the competing views placed before us, we devised means within the general framework of our procedure that would give elected officials, staff members of each of the constituent municipalities, and its people full opportunity, not only of voicing their point of view, but also of dealing with any observations made about their views by others.

Evidence

14. In order to broader our knowledge of local government in Haldimand-Norfolk, we carried through (with the able assistance of our research director, Mr. James Fairlie) a full programme of group and individual visits, we met with elected officials and staff members, separately, of all the local authorities, boards and commissions. We discussed with them the problems and performance of local authorities, the needs for improvement and the means by which this could be achieved. An overwhelming majority took pains to give us the benefit of their experience and views. To all of them we would like to record our sincere gratitude.

15. Seeking to inform ourselves in other ways, we inserted public notices in the press inviting commentary. The response was reasonably gratifying. Much of it was the product of hard work and deep

thinking. Appendix I contains a list of those who participated.

16. We wish at the outset of the Report to pay tribute to the indispensable contribution which we received from Mr. James Fairlie, the Board's Research Director. He anticipated and met all the exacting demands we made on him, such as organizing and directing our work. Equally important was his zeal and experience which were forthcoming at all times and made a crucial contribution to our work throughout the period of the Review. We pay tribute to his assistance, not as a matter of form, but as a record of our genuine appreciation.

17. We wish also to mention our special indebtedness to Mr. Michael Lesurf, Director of the Municipal Government Structure Branch at the Ministry of Municipal Affairs, for the unstinting support he gave us. Without that support our task, by no means an easy one, would have been much more difficult. We also acknowledge our indebtedness to two members of the Director's staff: Ms. Lynne Peterson, Policy Advisor and Ms. Tanya Wanio, Senior Policy Advisor. Special thanks goes to Ms. Wanio for her editorial assistance and the many hours spent in co-ordinating production of this report.

18. The programme of research comprised studies commissioned from the consultants DPA Group Inc. and from C.N. Watson and Associates Ltd. In this connection I wish to mention the outstanding value of the assistance rendered by Mr. Erik Haites and Mr. Cameron N. Watson. In brief, their individual studies included, among other material, the

following:

A. An economic outlook for Haldimand-Norfolk that focused on the medium term (10 years) and examined macroeconomic developments and structural changes that may affect the Region's key industries. It also addresses the employment prospects for the major sectors and the component municipalities.

B. A general Functional Services Review which dealt with such matters as tax burden and user charges from 1982 to 1987, inter-municipal comparisons, analysis of existing municipal expenditures in Haldimand-Norfolk, and a projection of municipal servicing costs and tax and user charges to 1992.

C. Financial effects of three possible structural alternatives to the present regional government structure in Haldimand-Norfolk.

D. An analysis of the communities of interest within Haldimand-Norfolk and an assessment of boundaries for possible structural alternatives to the present municipal boundaries in Haldimand-Norfolk.

19. We should like to record our sincere gratitude to Mr.

William Robson, Senior Economist with the Municipal Finance Branch and Mr. Paul Mooney, Municipal Advisor (both with the Ministry of Municipal Affairs) for their work in assembling and analyzing facts and figures and financial statistical detail. At every stage and in practically every aspect of the Review, their knowledge and insight into the seemingly endless process of sifting and digesting statistical detail (the very stuff of local government) were available and invaluable to us.

20. We wish also to record our debt to two officials in the Ministry of Treasury and Economics for the time and help they gave us: Mr. Geoff Hare, Senior Policy Advisory, Regional Issues and Mr. Daniel T. Roehler, Economist, Regional Issues.

21. It should be stated various provincial government departments complied with requests we made for help or information but scrupulously refrained from suggestions of any kind as to what we should recommend in our Report.

22. We acknowledge, gladly, the help we received from an informative seminar on matters related to local government chaired by Dr. Harry Kitchen of Trent University. I wish also to express thanks to Mr. David Bartlett and Mr. David Siegel, participants at the seminar, for answering, always comprehensively, a host of enquiries.

23. Throughout our work we have favoured maximum openness. Individual copies of the studies prepared by consultants and outside persons were made available to all authorities and members of the

public in the Region. Their reactions were duly noted and proved beneficial to our ongoing research. Following the distribution of these research studies, an open public invitation to submit oral or written briefs was issued through the media.

24. To promote public discussion, we widely disseminated a paper in which we attempted to highlight certain practises and procedures of local government which have attracted attention and which are viewed, at least in some quarters, as a cause for reform.

25. A total of 101 individuals - we would have preferred a larger number - gave oral evidence at the public meetings. We are very grateful to them for the time and help they gave us.

26. We were not, of course, limited to studying the oral and written evidence to arrive at conclusions. We gladly acknowledge the help received from this source; however, to reach an independent judgment, we sought to inform ourselves in other ways. For example, we drew literally on the Report of the Royal Commission on Local Government in Scotland, Command Paper 4150.

27. Our work was not confined to suggesting remedial action to any shortcomings within the existing regional government structure. It also involved weighing alternatives to that structure.

28. We cannot conclude this part of the Report without particular mention of the help and co-operation we had from our secretaries, Mrs. Barbara Goble and Mrs. Leila Howard. No amount of thanks would adequately

convey our gratitude for their hard work, cheerfulness and composure while typing from horrendously difficult handwriting.

29. A thank you is also due to Mr. Thomas Robson and Mrs. Nicole Montbrun (Massé Communications Inc.) who proofread part of the typescript.

CHAPTER 3

ORIGINS

30. Norfolk attained corporate county status for municipal purposes in 1849; Haldimand in 1850. For more than 124 years, they co-existed as two well-established separate counties to which time lent dignity. Yet they were, in no small measure, socially and economically remote each from the other.

31. Between 1969 and 1974, 11 regional governments were brought into being in Ontario. The last was the Regional Municipality of Haldimand-Norfolk.

32. On the first day of January 1974, the Regional Municipality of Haldimand-Norfolk Act, 1973, came into force. At that moment the Regional Municipality of Haldimand-Norfolk was born and the lives of its county predecessors were extinguished. That Act also occasioned the demise of 6 towns, 4 villages, and 18 townships.

33. Concurrently, a two-tier structure of local government was established in Haldimand-Norfolk consisting of a regional level of authority (the first-tier) and a second-tier comprised of six authorities, one in each of the newly created area municipalities.

TABLE 33

POPULATION AND AREA IN HECTARES FOR LOWER-TIER MUNICIPALITIES

MUNICIPALITY	1974 POPULATION	HECTARES
Township of Delhi	14,616	52,392
Town of Dunnville	11,289	29,489
Town of Haldimand	15,703	62,637
City of Nanticoke	18,618	65,318
Township of Norfolk	10,870	68,810
Town of Simcoe	13,168	3,942
Total	84,36	282,588

Source: Planning Department, Regional Municipality of Haldimand-Norfolk

34. The area involved 285,725 hectares. The population of the Haldimand-Norfolk Region, according to the last available figures, is 89,140 people. That is the largest area and the smallest population of any regional municipality in Ontario. To its vast size and sparsity of population must be added a relatively moderate resource base.

The Brief Rationale of Regionalism

35. The nature and scale of the services provided by local governments have grown rapidly from 1960 onward. In recent years the most striking increase has been in personal social services and health services. Alongside the growth of services has been

the almost continuous growth in local government expenditures.

36. The sources from which current local government expenditures have had to be financed have not substantially changed over the years. Broadly, there are three. First, there are the tax property levies which have remained the only local tax available to local authorities. Second are the fees and user charges paid by consumers of some of the services, and third are federal and provincial government grants.

37. Finance was the vital stimulus to the re-organization of local government under a regional system; the basic problem had been that the resources of the local authorities did not match their responsibilities. The effective provision of certain services, such as waste disposal and personal social services and health services demand an area of operation, a pool of population, and a funding resource larger than that of the local area authorities. Theoretically, re-organization to a region would leave local authorities with enough power to handle important services and to have sufficient resources at their disposal to finance those services.

38. The most common form of regionalization of local government is the federation of a large influential urban centre and its landward area; either a region, a county or a district. This form of federation is known as the "city-region concept". In this way, the advantages of the city as an assessment resource can

be shared with the residents of the landward area so that there can be a uniformly high standard of public services throughout the region.

The Genesis of Haldimand-Norfolk

39. The beginning of the Region is a more than twice-told tale. We have no desire to rake over the ashes of the past but in order to form a balanced opinion of the criticism and problems of the Region, it may be well to recall, however briefly, the circumstances of its creation.

40. In common with other regional municipalities in Ontario, Haldimand-Norfolk has its roots in the soil of federation. In one very important respect it differs from the others: there is no large influential urban centre in Haldimand-Norfolk. In this sense it is a region without precedent.

41. The 1970's was a time of soaring hopefulness of industrial development in Haldimand-Norfolk. The Ontario Hydro thermal-generating station, the Stelco Steel Company and the Texaco refinery were then new projects in the Region that fueled the promise of prosperity and rapid growth. Some forecasts projected a regional population of 320,000 people by the year 2001.

42. In saying this we intend no criticism of planners past or present. The importance of the predictions of accelerated economic and population growth in the area led to the belief that conversion to regionalism had to be immediate.

43. "The science of government is the science of

experiment. It consists in the exercise of a sound discretion in the face of exigencies as they arise." If facts are changing, government cannot be static. It is the business of government to tackle economic and social problems step by step, experimenting, without demanding perfection from social reforms any more than from any other human effort.

44. Thus the creation of the Region of Haldimand-Norfolk grew out of an experiment in regionalism. As we know, it is without a single, strong urban focal point. That fact constitutes its novelty.

45. With the creation of the Region came the laying of the foundation of another experiment known as the new Town of Townsend. It would become in theory the focus of regional growth - economic and social. Its foundation and development was, however, beyond the resources of the new Region, so it was designed and launched by a provincially funded agency.

46. Unfortunately, prophecy germinates slowly in the soil of Haldimand-Norfolk. It is the characteristic of a "regional centre" to provide shopping, banking, cultural, education, medical and administrative facilities not just for itself but for the residents of its landward area. Of such facilities, Townsend has none. It remains a static community of no more than a modern subdivision of 150 homes, its somnolence broken only by the presence of the Regional Administration Centre.

CHAPTER 4

HALDIMAND-NORFOLK AND ITS PEOPLE

47. One cannot consider a structure of local government without due appreciation of the geographic setting or the life of the people for whom any system of government should exist.

48. The geographic setting of the Region is, roughly, a parallelogram. On the north the parallelogram is framed by the counties of Oxford and Brant, and the Regional Municipality of Hamilton-Wentworth. Lake Erie is the southern boundary. The east is bounded by the Regional Municipality of Niagara and the west by the county of Elgin.

49. Two features of the Region's setting are worthy of emphasis. One is its proximity to urban centres outside the regional boundaries: Niagara Falls (population of about 72,000), St. Catharines (123,000), Hamilton (307,000) Brantford (76,000), Cambridge (80,000), Kitchener-Waterloo (209,000), Woodstock (26,000), and St. Thomas (29,000). None is more than a 45 minute drive from the regional boundaries. Each exceeds the Town of Simcoe (14,000) in population, which is the largest urban centre in the Region. St. Catharines, Hamilton and Kitchener-Waterloo each have more inhabitants than the total Region of Haldimand-Norfolk (90,000).

50. Because of the proximity and size of these "cities", many residents of the region are able to draw upon them as a source of employment. However, their

proximity tends to undercut the service sector of the regional economy because these centres provide a source of shopping, business and personal services. Thus, easy access to these urban centres influences the structure of the economy of Haldimand-Norfolk of which we will say more at a later stage.

51. Another noteworthy geographical feature is the relationship of the Region to the major highways in southwestern Ontario. The highways 401, 403 and The Queen Elizabeth Way are more than 20 kilometres beyond the periphery of the Region. (In a later chapter we shall address the implications of these circumstances for economic growth.)

52. Geologically, Haldimand and Norfolk are distantly related. With that in mind, we shall survey them separately. For purposes of clarity we use the words "Haldimand" and "Norfolk" to define the former geographical counties. References to the existing area municipalities of the same name will be distinctly indicated where applicable.

Haldimand

53. Haldimand, which is predominantly rural, has a soil that is a clay of generally good quality. However, there are areas where the clay begets heavy, sodden soil. But for the most part is a quiet agricultural region in which dairy and cash-crop farming predominate. A pleasing feature of the landscape are the woodlots, remarkable in quality and quantity.

54. Only in one area of Haldimand is the countryside studded with significant industrial development.

Immediately north of the Lake Erie shoreline in the south-west sector of Haldimand (now part of the City of Nanticoke) lie three major plants: Stelco Steel, the Texaco refinery and the Ontario Hydro thermal generating station.

55. A salient feature of Haldimand is the Grand River. Running from the north-west to the south-east, it bisects Haldimand before it comes to its climax and conclusion in the Port Maitland harbour on the north shore of Lake Erie. The valley of the Grand is welcoming landscape. The three most prominent urban centres along the Grand River are Caledonia, Cayuga and Dunnville.

56. Caledonia, with a population of 5,000 people, has a substantial gypsum mining and wallboard industry and is a local service centre for the surrounding agricultural area.

57. Not surprisingly, suburbia has spilled over from Hamilton and Mount Hope. As a result, the amount of new housing is conspicuous and is increasing. Caledonia is becoming more within the sphere of Hamilton's influence. Caledonia is now having to grapple with problems created by an imbalance between rapid residential development and industrial and commercial growth.

58. Nineteen kilometres downstream of Caledonia lies the attractive community of Cayuga with a population of 1,200 people. Its economic heartbeat is in harmony with that of the surrounding agricultural area.

59. Twenty-three kilometres separate Cayuga from

Dunnville, along Highway #3 though Regional Road #17 affords a shorter and more scenic route. Strategically situated along the lower reaches of the Grand River, Dunnville's status is that of the largest urban centre in Haldimand with a population of 5,300 people. During the past decade although its population has stabilized, it remains a community of character and retains its effectiveness as a service centre. However, it is in need of commercial and industrial growth to relieve its double-digit unemployment.

60. To veer away from the Grand River: 18 kilometres south of Caledonia on Highway #6 is to find the community of Hagersville with a population of 2,300 people. Regard for its geographic position encouraged the West Haldimand hospital to locate there. Although a nearby gypsum mining and wallboard industry nourishes the economy of the community, it remains largely a service centre for the surrounding farm area.

61. Ten kilometres south from Hagersville, at the intersection of Highway #6 and #3 lies the community of Jarvis (population: 1,200). It stands easterly and just clear of the new "Town of Townsend". Historically part of Haldimand, Jarvis was later tranferred under regionalization into the City of Nanticoke.

62. The forces of change in Haldimand must not be ignored or under-rated. However, the smaller communities, York, Selkirk, Fisherville and others, still survive, seemingly unchanged. To a degree they have become suburbs in the fields of centres of employment within

and without the boundaries of the Region.

Norfolk

63. At its westerly limits, Haldimand slips gently into Norfolk. With a change in counties there is a geological change as the clay of Haldimand gradually gives way to great tracts of light, sandy, and sandy loam soil. As in Haldimand the landscape of Norfolk is graced by numerous woodlots, especially the evergreen variety. Forming appendages to these woodlots are discreet plantations of pines and other evergreens which provide breakwinds against the "blowy" sandy soil.

64. Norfolk is predominantly a county of well-cultivated tobacco farms which contrive to give it a look of prosperity. However, there is evidence of a leaner prosperity in the contraction of the number of tobacco farms. The declining demand for tobacco, (traditionally a leader in farm crop revenue) will result in more casualties and because no winning switch to other crops has been identified, this shift will effect, in varying degrees, the economic life of the Region.

65. Of all the urban centres in Norfolk, or in the Region for that matter, the Town of Simcoe is the largest and probably the most important with a population of 14,000 people (the one truly urban municipality in the Region). It is well placed at the crossroads of Highway #3 and #24 and fairly close to the region's centre. The small River Lynn winds sluggishly through the town without, unfortunately for industrial purposes, obesity of water.

66. Simcoe is not only a significant shopping centre but a provider of many urban services: business, professional, hospital care and entertainment. It has a relatively large and diversified manufacturing sector that is a source of employment to those residing within and outside its municipal boundaries (26% of the total within the region). Briefly stated, Simcoe's "pull" extends to the surrounding local municipalities. The population of Simcoe has been more or less static for the past decade. However, its sectoral substratum appears to be healthy and holds promise for new economic activities.

67. The entire southern boundary of the Region is a window on Lake Erie. Its shoreline offers a variety of captivating beaches, sand dunes and conservation areas with marshes that provide a habitat for bird and animal life. All in all, it offers a variety of opportunities for tourism development.

68. Thirteen kilometres south-east of Simcoe, on the shore of Lake Erie, is the pleasant progressive community of Port Dover with a population of 4,100 people. It is the largest urban centre in the area municipality of the City of Nanticoke.

69. Nature has given Port Dover a well-fashioned harbour and beach and thus it enjoys fair success as a holiday resort. Its industries and employment include fishing, horticulture and service facilities.

70. Further from the lake and west of Port Dover is a large, lush tract of soft-fruit orchards and market

gardens. Vittoria, a hamlet of no small charm, lies there with its legacy of days past when it was the "capital" of early Norfolk.

71. Further to the west lies the community of Langton in the heart of "tobacco land". A quiet, unspoiled community appropriate to its mellow surroundings, it accommodates the administrative offices of the Township of Norfolk.

72. Astride Highway #3, ten kilometres west of Simcoe is the lively minded Town of Delhi with a population of 4,100 people. Its economy, which depends heavily on the tobacco industry, attracted an automotive-parts industry in 1988 that employs about 50 people. Ultimately, it is expected to provide an additional 150 jobs.

73. Twelve kilometres north of Simcoe, just off Highway #24 stands the community of Waterford with its population of 2,600 people. It is basically a service centre for the surrounding agricultural area. Its development has been hesitant but it preserves its attractive appearance and is far from moribund.

74. In the south of the Township of Norfolk on a high slope above Lake Erie is the community of Port Rowan. Deposited below the slope is Long Point, a notably distinctive arm of land extending into Lake Erie, an attractive sandbank intertwined with beaches, lagoons, marshes and trees.

Summary

75. Perhaps the Region's most striking feature is its

geographical dimensions which contain about 90,000 inhabitants spread rather evenly across its area. There is no large urban centre with which all its separate parts connect. A host of small urban communities, links to the countryside which they serve, are the real life of the Region. However, only three of them, Simcoe, Caledonia and Dunnville, are significant sources of manufacturing employment.

76. Until very recently, agriculture was the largest source of employment. There is, however, a gradual but steady transition from agriculture to manufacturing and other urban activities. Some 4,000 job gatherers flow in and out of the region to large urban centres. Most of them return daily to a shared sense of place: rural Haldimand-Norfolk. In fact, most of the population live in the rural areas. But with time, this will probably change as even the land, subject as it is to chemical fertilizer and technological treatment, cannot be counted on to remain unchanged.

77. The vital issue for Haldimand-Norfolk is what it does with its resources and what these resources do for the Region.

CHAPTER 5

REGIONAL ECONOMIC CONDITIONS

78. In enacting the Regional Municipality of Haldimand-Norfolk Act, 1973, the provincial government obviously kept in mind that regional and local authorities had to financially sustain their responsibilities.

79. An enhanced assessment base was expected to follow the 1973 forecast of accelerated growth and development in the Region. As we have seen, there has been a bumpy descent from prophecy to reality. It follows then that we should give an overview of the regional economic conditions in 1987. It is an appreciation based on the report entitled, Economic Outlook for the Regional Municipality of Haldimand-Norfolk, prepared by the DPA Group Inc. in December 1987. We shall update that report, as best as we can, with information made available to the Board.

80. Haldimand-Norfolk is still a predominantly rural area. Manufacturing is now the largest industry with a labour force of just over 10,000 workers. Agriculture is the second-largest industry employing an estimated 9,500 workers.

81. Recent declines in some manufacturing activities, and in the agricultural sector, particularly in the demand for tobacco, have created a generally static economy in Haldimand-Norfolk. The decline in the value of tobacco production in Haldimand-Norfolk is shown in Table 81.

TABLE 81

VALUE OF TOBACCO PRODUCED IN HALDIMAND-NORFOLK

YEAR	VALUE ($)
1983	$191,910,851
1984	$158,132,249
1985	$157,211,318
1986	$120,792,113
1987	$102,210,000

Source: Tobacco Growers Marketing Board

82. Efforts to find suitable alternative crops to tobacco are being diligently pursued but as yet, none have been adequate to replace the income lost to lower tobacco production.

The Manufacturing Sector

83. The manufacturing sector can be grouped into four categories:

    1) The processing of food and fish, gypsum and aggregate products, and tobacco account for one-third of the manufacturing employment.

    2) Stelco Steel, the Texaco refinery, and the Ontario Hydro generating station account for approximately one-quarter (2,700 employees) of the regional manufacturing employment.

3) About 10% of the Region's manufacturing employment is in ship building, fertilizers and chemical industries, printing and packaging commerce that serve local markets.

4) The remaining third of the manufacturing employment is in textile, sporting goods, auto parts and horticultural products manufacture.

84. Within the Region manufacturing employment is concentrated in Nanticoke (35%) which is the site of the Stelco, Hydro, and Texaco facilities, and Simcoe (26%). The balance is spread out among Dunnville (14%), Haldimand (11%), Delhi (9%) and Norfolk (5%).

Tourism

85. The estimated employment in this industry was about 1,100 workers in 1987. However, with the beauty of its natural resources, the Region's potential for tourism is far from being realized.

Service Sector

86. Many residents go outside the Region for business, personal and financial services, as well as to shop. As a result, the Region's service sector is proportionally smaller than that of surrounding municipalities.

Extractive Industries

87. More than 80% of the gypsum produced in Ontario comes from mines in Hagersville and Caledonia. Reserves in the area are sufficient to maintain current levels of production for at least another century. Other extractive industries in the Region are natural gas and aggregate but they do not increase the level of employment. The producing wells of natural gas require relatively little labour for operation and maintenance. The current level of employment related to natural gas activities in the Region is very small.

Commercial Fishing

88. Most fishing activity in the Region occurs in Port Dover and Port Maitland with 65 boats that employ about 250 people.

Commuting

89. One of the services exported by Haldimand-Norfolk is its residents who work outside its boundaries. In 1981 the net amount was 3,340 employees. The research consultants of the DPA Group Inc. estimate that by 1986 the figures had grown to 3,800 workers an informing figure in respect to economic conditions of the Region.

Population

90. The Region's population has been roughly stable since 1976 despite the fact that the Texaco and Stelco

plants went into operation after that date; the former in 1978, the latter in 1980.

91. The contrast between labour-force growth and population is noticeable. As the labour force has grown steadily over the past 25 years, the population has remained virtually constant. This reflects an increasing participation rate; more people, especially women, are seeking employment.

Unemployment

92. To get reliable information on unemployment in such regions as Haldimand-Norfolk observations are averaged over a two-year period. The two-year moving-average unemployment percentage rates in Haldimand-Norfolk and adjacent municipalities are set out in Table 92.

TABLE 92

UNEMPLOYMENT PERCENTAGE RATES FOR SELECTED MUNICIPALITIES 1981 - 1986

JURISDICTION	1981-83	1982-84	1983-85	1985-86
Haldimand-Norfolk	12.8	14.1	13.7	12.0
Elgin	8.7	9.8	9.0	6.8
Brant/ Oxford	14.9	13.8	12.0	9.8
Hamilton-Wentworth	10.5	11.8	10.9	9.4
Niagara	12.3	12.9	12.2	10.7
Ontario	8.9	9.7	9.1	8.0

Source: **Ministry of Treasury and Economics**

93. It can be observed that since 1981-1983 Haldimand-Norfolk has had a higher unemployment rate than any of its surrounding municipalities.

Income

94. Income is one of the key indicators of the economic well-being for a region. Income levels in Haldimand-Norfolk have been consistently less than those for the province and marginally less than that in the surrounding areas. Comparisons of average income in Haldimand-Norfolk with those in Ontario and selected municipalities are shown in Table 94.

TABLE 94
TOTAL INCOME FROM TAXABLE RETURNS IN SELECTED MUNICIPALITIES

GENDER/ Jurisdiction	YEAR 1982	1983	1984	1985
MALE				
Haldimand-Norfolk	$19,259	$19,704	$21,263	$21,698
Brant County	19,858	19,971	21,837	22,969
Elgin County	17,871	18,652	20,742	21,488
Oxford County	19,033	19,665	21,446	22,282
Niagara Region	21,852	22,425	24,610	25,792
Hamilton-Wentworth	22,496	22,707	25,033	26,004
Ontario	22,766	23,578	25,593	26,685
FEMALE				
Haldimand-Norfolk	$10,005	$ 9,489	$11,143	$11,539
Brant County	10,613	10,149	11,973	12,444
Elgin County	10,812	10,517	12,115	12,665
Oxford County	10,782	10,352	12,069	12,684
Niagara Region	10,294	9,719	11,527	12,193
Hamilton-Wentworth	11,468	10,925	12,868	13,425
Ontario	12,404	12,032	13,913	14,717

Source: **Statistics Canada Tax Data Files**

Basic Industries

95. Because of their higher employment in manufacturing, the regional municipalities of Niagara and Hamilton-Wentworth have higher incomes than any of the adjacent agricultural areas, such as Haldimand-Norfolk. Incomes, of course, affect ratepayers' sensitivity to higher tax levels.

96. Basic industries may be described as the producer of goods and services supplied to exporters from the Region. The basic industries are: agriculture, forestry, fishing, mining, manufacturing, long-distance trucking and tourism. The basic labour force in 1987 was estimated at 26,175 workers from a total of 47,340 workers.

97. On the basis of the limited information available to us, it seems that the Region made some economic progress in 1988. To illustrate:

   - In a limited way, the value of building permits is an index of a changing economic order. In 1987 their value was more than $86 million, the second highest ever in the Region.

   - In 1988 that statistic continued to move on a steady and substantial upward curve to a new record in excess of $100 million. As might be expected, the majority of these permits were issued for residential purposes.

98. The range of attractively priced housing available in Haldimand-Norfolk in comparison to the inflated land values in the larger urban centres immediately outside the Region, and increased commuting are likely to maintain this economic trend for, at least, several years.

99. Several relatively minor manufacturing enterprises were added to the industrial scene in 1988, but these gains were offset by the loss of an industry in Dunnville that will render about 200 employees jobless within six months. Unemployment has had a negative effect on Dunnville. Perhaps a change is already beginning: a new industry with a potential of employing 450 persons is of hopeful probability.

100. Overall, the established level of the regional economy remained virtually unchanged in 1988.

Into the Future

101. For our purposes, it is more important to consider the future than the current state of affairs. The adequacy of a municipal government must be tested not only against its capacity to cope with the present, but its likely capacity to cope with future demands and resources.

102. Economic prophecy is at best an uncertain science. All we can do is project broad economic trends under the hardy discipline of the DPA Group Inc. report, regional staff economic studies and other economic material.

103. To date, there has been no sufficient evidence to undermine the projections of the DPA Group Inc. Report. Its medium-range forecast for the Region are cited in Table 103.

TABLE 103

POPULATION PROJECTION BY MUNICIPALITY

	YEAR			
MUNICIPALITY	**1971**	**1981**	**1986**	**1996**
Haldimand-Norfolk	86,745	89,455	90,121	89,000 - 95,000
Town of Dunnville	11,435	11,350	11,589	11,000 - 12,000
Town of Haldimand	15,010	16,865	17,701	19,000 - 21,000
City of Nanticoke	20,490	19,815	20,202	20,000 - 21,000
Town of Simcoe	10,790	14,315	14,290	15,000 - 15,000
Township of Delhi	15,810	15,119	14,924	14,000 - 15,000
Township of Norfolk	12,470	11,180	10,832	9,000 - 11,000

(b) Agricultural employment in 1996 is expected to be between 7,500 and 8,500. (a reduction from present levels of 9,500).

(c) Employment in commercial fishing and the mining sector will remain constant over the next decade.

(d) Employment in the trucking industry will grow from the present 450 (round figure) to between 550 and 850 by 1996.

(e) An estimate of the impact of the Free Trade Agreement on the regional economy is a hazardous endeavour, but it is not expected to have a significant effect.

(f) In a forecast range between "possible" and "probable", Stelco, Texaco and Hydro and some of the remaining manufacturing enterprises are expected to have modest growth in employment over the coming decade.

(g) Expectations are that the region will attract several new branch plants but not likely a major one (of over 500 employees).

(h) The relationship between the labour force and total population is the participation rate. The forecast of the participation rate in 1996 is expected to be 60% which would still be below the 1987 provincial rate of 69%.

104. The Ministry of Treasury and Economics estimates that in 1989 the growth of the gross domestic product (GDP) will decline to a projected 2.9% from 4.5% in 1988, but the economy will continue to generate over 100,000 new jobs. The economy of Haldimand-Norfolk is bound to be sensitive with degrees of distinction to that of the Ontario economy.

Conclusion

105. Consumer trends point to a continual decline in the use of tobacco and a steady transition from agriculture in general to other employment. In the sequel, employment in agriculture is expected to be reduced from the present 9,500 employees to between 8,500 and 7,500 workers.

106. However, the manufacturing sector is expected to grow modestly over the same time and, as a result, employment growth will probably more than offset the loss of jobs in agriculture.

107. A key ingredient to the economic outlook for the Region is the viability of the smaller manufacturing firms. The rate of the formation and expansion of those firms will have a significant impact on the rate of growth of employment in the Region.

108. So to sum up: the pattern and trend of modest economic growth established in the past decade is expected to continue more or less unchanged over the next decade. Any shift is expected to be along a gentle upward curve.

PART II

EXISTING REGIONAL GOVERNMENT STRUCTURE

CHAPTER 6

METHOD OF APPROACH

Introduction

109. We cannot escape the duty imposed by our terms of reference to make an analysis of the functions or services of the existing local government. The problem is how to do this at just the right depth, that is, avoiding the hazard of becoming completely submerged in detail without incurring criticism for a perfunctory glance.

110. The evidence given to us on individual functions or services did not present a consensus. On the contrary, there was a divergence of opinion particularly in two respects:

(a) the level on which particular functions and services ought to be exercised, and

(b) whether a function or service should be divided between different levels of authorities.

All this, of course, was pertinent to a review of the present two-tier system of local government.

111. Our perspective must of necessity be a broad one. For local government functions are not our only concern. We have to look at possible alternatives to the existing local government structure. However, important as local functions may be, it is a telescopic view of them and not a microscopic

examination that is likely to reveal the facts about them which are relevant to our purposes.

112. In pursuit of a decision regarding a two-tier structure, we have analyzed those aspects of the major functions which we thought would have a definite bearing on the viability of the structure. This involved posing questions of the following kind:

(a) On what scale does the function in question need to be discharged?

(b) Should it be split between different levels of local government?

(c) With what other function, if any, ought it to be associated?

113. In this general context, we have not analyzed certain functions that have no telling effect on structure.

Functions or Services

114. For these reasons we have identified the relevant functions, services or inter-relationships as follows:

- Planning
- Building and Plumbing Inspections
- Economic Development
- Personnel Services
- Health Services
- Social Services

- Police Services
- Road Systems
- Water and Sanitary Sewers
- Waste Management
- Hydro Electric Commissions
- Representation and Accountability
- Other Matters
- Local Resources Equalization Grant Fund

115. The succeeding fourteen chapters are devoted to these functions, services or inter-relationships.

CHAPTER 7

PLANNING

Background

116. Municipal planning was established as an upper-tier function in 1974. Subject to approval of regional and local official plans, the Regional Act permitted delegation of certain planning powers to the area municipalities. These powers (with the consent of the Ministry of Municipal Affairs) have recently been delegated and include the preparation and amendment of local zoning by-laws, and the right to appoint a committee of adjustment to deal with applications for severance, minor variance, and extensions of legal, non-conforming uses.

117. In delegating planning responsibilities in such a way, the Ministry has obviously meant to ensure that functions are conferred on local governments according to their capacity and competence to discharge them. In this connection we note the adjourned consultations between the Ministry and the Region to consider the possibility of further decentralization of approval authority for a range of planning functions.

118. Regional council is seeking final approval authority for the following responsibilities:

1) Condominium plans under the Condominium Act;
2) Subdivision plans;
3) By-laws for part lot control and road closings;

4) Area official plans and their amendment.

119. If we understand the Ministry's position aright it is amenable to the request to delegate the first three enumerated responsibilities to the region. However, the Ministry is withholding its formal approval subject to consideration of the recommendations of the Board of Review.

120. Our review study lends support to the request of the regional council to be given final approval authority in the first three matters enumerated in paragraph 118. We recommend accordingly.

121. The Ministry's support of the request to delegate the first three enumerated responsibilities does not extend to the fourth. We will discuss the Ministry's position with respect to that request more fully hereafter.

Planning Administration

122. All the municipal planning staff within the Region are regional municipal employees. However, a regional planner maintains a part or full-time office in each of the six area municipalities to assist area councils, their staff, and the public with planning problems. This has been a warmly welcomed innovation.

123. The division of planning responsibilities between the upper and lower-tier authorities is defined in their respective official and district plans.

124. An official plan is a policy statement for the future development of a municipality. Usually it does, the following:

1) Designates the future land use, and in so doing differentiates between areas intended for residential, agricultural, commercial, industrial and park purposes;

2) Outlines the future location and size of roads and public transportation facilities;

3) Describes how, where, and in what sequence watermains, storm and sanitary services will be installed and schools provided, in the future; and

4) May allocate population figures for various communities included in the residential areas of the plan.

125. Regional responsibility for planning include the broader land use structure and development issues (protection of agricultural land base, transportation issues etc.), and administrative activities which are either regional, or transcend two or more area municipal boundaries.

126. Local official plans (or district plans) outline a more detailed pattern of land use. Although these plans cannot be in conflict with the regional plan, they are more instructive or specific. Of course, planning is a continuous process and in the formation

of official plans there ought to be a great deal of consultation both "upwards" and "downwards". However, at the area municipality level the responsibility for producing the plan should belong to the area authority concerned.

127. The regional planning department is divided into two sections, a policy section and a development section. It is the policy sections responsibility to review and report on regional policy planning matters identified in the regional official plan; to undertake special detailed studies at the request of regional council or local councils, (for example - Long Point Causeway Secondary Plan); to provide external policy review and liaison with the Ministry of Municipal Affairs, local conservation authorities and other bodies; and, to provide research and data for the economic development department.

128. The development section is responsible for the processing and analysis of the development applications: condominium, subdivision, official plan amendments, zoning and severances, and short term development related special studies. This division is also a resource base since it provides the resident development planners to the local municipalities. In addition, the Planning and Development Department includes within its role other functions such as, building inspection, agreement and by-law administration, and drafting and graphics services.

129. A number of regional supervisory staff co-ordinate and provide specialized knowledge on policy and development matters that may not be affordable at the local level independently. This same is true for the agreement, by-law administration and graphics services. This state of affairs has the advantage of some economies of scale in the delivery of services. In addition the flexibility of the present system allows for cover-off on holidays and sick leave that otherwise would be more difficult or non-existent.

130. Planning by its nature is highly comprehensive. Frequently the public considers it just a matter of prescribing permissible land use. That it is, but it is much more. What matters far more is whether the physical environment as a whole is being properly shaped to meet the evolving social and economic needs. Planning of course, must have a regard for values such as conservation and recreational need.

131. Unquestionably, planning is among the most important functions of municipal government. Generally it is an activity which does not attract the public attention that it deserves. However, it is a function in which the citizens take keen interest when the particular issue affects their neighbourhood. As the population grows and development expands the problems of planning are going to be increasingly difficult to handle, and private interest and public needs are bound to collide.

Recommendation 7.1

132. **We recommend that a modest public relations and communications program be undertaken to promote a proper degree of understanding of, and participation in, the planning process by the general public, under the joint sponsorship of the regional and area municipalities.**

133. Generally, the complaints about planning services concentrated on two themes: uncertainty as to where responsibility really lies for planning services and, delay in the process of obtaining approvals for various types of development. It is not easy to assess to what degree the evidence is fully representative of public opinion. Unfortunately, the principles of planning are not well understood by people and undoubtedly some of the complaints were magnified by this inadequacy of knowledge.

134. It is inevitable that certain aspects of the planning process may be complex, but the main features of the system must be comprehensible to councillors and the interested public.

135. We are persuaded that the planning authorities should improve their communications strategies so that the public can identify to whom and where to turn for information or guidance for any important land use planning decision. As a priority, we suggest that a revised list of planning activities, accompanied by explanatory notes, be assembled in the most economical and purposeful manner. In this document the division of planning responsibilities among the

Province, Region and area municipalities should be clearly identified. Of course, including changes that may result as an outcome of this Report. It is hardly necessary to say that information so assembled, should be fully available to all authorities in the region, builders, developers, and the general public.

Recommendation 7.2

136. **We, therefore, recommend that the regional and area municipality planning authorities re-examine their communications and public relations policies with a view to improving the public understanding of the planning administration and of the land use planning processes in the region.**

137. Few subjects can engender more differences of opinion than the borderline between regional and area planning responsibilities. For a planning relationship in a region to be effective there should be a regular and satisfactory dialogue between the two levels of planning authorities. The purpose of such dialogue would be to discuss current problems and to identify weaknesses and defects in the system. Agreement on precise procedures, including a timetable, can consume time which is needed to deal with land use applications, particularly on approval processes.

Recommendation 7.3

138. **We therefore recommend that the regional chairperson and regional planning director, as well as the area mayors and administrative representatives from each**

area municipality, or designates of these positions, constitute a consultation committee on common planning concerns.

139. We focus on three particular complaints that emerged from the submissions to the Board:

1) that the Regional Official Plan is too detailed and thus intrudes on the domain of area municipalities;

2) that the length of time required to process local zoning by-law amendments is excessive; and

3) that the Regional Authority tends to involve itself unduly in matters which are only of local significance.

140. We deal with these complaints in order. It is hard to make a case for the statement that the Regional Official Plan is too detailed or too encompassing and hence intrudes upon the powers of area municipalities. The Regional official plan was approved in June 1979. Since then there has not been an application to amend the plan for a site specific application. From this it may be reasonable to infer that the regional official plan is an appropriately broad based land use policy document.

141. We address ourselves now to the second complaint, viz; that it takes an unreasonable length of time to process a local zoning by-law amendment. It is conceded, that sometimes it has taken an undue period of time to pursue a local zoning by-law amendment to

completion. However there could be a legitimate reason for such a delay. Because a local zoning by-law cannot be in contradiction with an official plan, to give effect to such an amendment it may also be necessary to amend the district official plan.

142. The control of amendments to local zoning by-laws rests with the area municipalities, the amendments to the district official plan with the regional authority. An amendment that has to march past two approval authorities invariably moves with leaden feet. And there's the rub.

143. As already indicated, a prospective amendment to the Haldimand-Norfolk Act promises provincial approval of full delegation of regional powers in local planning matters to area municipalities, subject to one exception which we will consider later. Once the prospective amendment is in place and the requisite powers have been delegated, we expect that the problems of delay will be greatly alleviated.

144. In the third complaint exception was taken to appeals initiated by the regional council against decisions of area municipalities which approved certain applications for severances and variances. Such appeals are seen, in some quarters, as an "intrusion" upon the domain of the area authorities. It is true that the regional council has delegated the function of processing applications for severances and variances to the area municipalities; but it has not abdicated its right of appeal against the decisions of the local authorities in such matters.

145. Let us resort to a statistical test of the "intrusion". Generally the area municipalities deal with between 850 and 950 applications for severances and variances annually. Regional planning staff may recommend appeal of 15 to 20 of the local decisions. Regional council on average, actually appeal only 5. Based on these numbers, it appears that the area municipalities are doing a satisfactory job in weighing applications and that the Region's exercise of its right to appeal is minimal.

Area Planning Departments -- Aye or No?

146. During the review process substantial attention was given to the question of whether or not a full, two-tier planning system should be established. Not surprisingly the cost factor was a vital consideration in the minds of the councillors who spoke to the Board of Review. We were informed that the information necessary to probe the cost implications is not available at this time. Planning costs are charged back to local municipalities on the basis of special local planning projects only. Otherwise, planning department services are covered within the regional budget on the levy basis.

147. Without these departmental costs being available on a municipality by municipality basis, it was not possible to get at the heart of the financial aspect. There is no indication that a two-tier planning structure would lead to greater cost efficiency for a given level of service. We suspect that financial viability will provide the final insight into the choice of a planning structure.

148. If the relocation of development planners to the area municipal offices could have been a doubtful move, time has set the doubt to rest. It was a deliberate, practical decision made to promote the evolution from an administrative one-tier planning unit to an administrative two-tier planning unit. We encourage the regional and area municipalities, subject to a consideration of the yet unknown financial impact of a change to a two-tier administrative structure, to complete the process including the delegation of final approval authority.

149. We are persuaded that, with the creation of two distinct planning levels, the nature and objectives of the local and regional planning issues could be more clearly defined. The overlaps in jurisdiction would be reduced and the approval process simplified. Of course, the regional authority would continue to monitor consent and zoning applications to ensure conformity with the regional official plan.

150. Subject to a management study (a matter beyond the mandate of this Review Board), we support a reduced regional planning staff that would focus on solely regional scale planning policies, strategies and objectives. Independent area planning staff would thereby be allowed to focus on the processing of local development applications and local land use patterns.

Delegation of Approval Authority of Area Official Plans

151. As indicated earlier, the Ministry of Municipal Affairs is not supportive of the request to delegate

final approval authority of area official plans to the Regional Council. The Ministry's reluctance towards delegation appears to have its source in the fact that the regional planners who recommend adoption and approval or amendment of the area official plans are members of the same planning staff that propose the plans. To quote a legal maxim "they are fained to be all one person".

152. We acknowledge that the Ministry's position is rooted in reason. However, there does not seem to have been an unequivocal rejection of the Region's request for the delegation of final approval of area official plans. We suggest that the matter be given further consideration subject to the following:

1) an evaluation of the competence of council and staff to deal with those other powers proposed for immediate delegation, and

2) the ability of the region and the area municipalities to more clearly separate the present planning jurisdictions at the two levels, and to work jointly and efficiently in the delivery of that improved planning service within the Region.

153. In this way the Ministry and the Regional Council may produce an acceptable alternative method of preparing and recommending approval of area official plans, short of employing independent planners or private consultants to prepare the plans.

Agriculture

154. The Haldimand and Norfolk Federations of Agriculture are unanimous in pressing for a reconsideration of the regional policy of allowing one severance for residential purposes per agricultural holding. The federations insist that the policy should be revised for two reasons. First, because these severances have been absorbing good agricultural land at a threatening pace. Second, because the nature and extent of agricultural severances are increasing the potential for environmental problems.

155. The latter requires further illustration. The working of agricultural land in proximity to residential dwellings may necessitate the substitution of chemical fertilizers for manure fertilization. This substitution could carry with it the hazard of pollution to water courses and water supplies. While the argument of the federation is not to be lightly discounted, we were also told that agricultural severances must be in strict conformity with the Region's Policy Plan. At the public hearings no specific instances of abuse of the Regional policy plan were cited.

156. In such circumstances we are not prepared to recommend that the policy plan be set aside. However, it does not necessarily follow that we think that the present policy should remain precisely as it is. There is need for liaison between representatives of the agricultural industry and the Regional Council on this issue. The forum for the liaison could be found in the establishment of the

advisory committee referred to in the chapter on economic development.

Summary

157. The delivery of planning services in the region has been substantially improved recently. The placement of regional planners in the area municipal offices has been a key factor in improving communications and facilitating better working relationships with the public and development industry.

Recommendations 7.4

158. **We recommend:**

(a) that final approval authority of subdivision plans, condominium plans of subdivision and by-laws for part lot control and road closings be delegated to the Regional Municipality of Haldimand-Norfolk;

(b) that the Ministry of Municipal Affairs not reject the request of the Region to have final approval authority of area official plans and amendments thereto delegated to it, but that it be the subject of further study and consultation on the part of the Ministry and the Region.

159. Subject to an appraisal of its financial viability (a question for political judgement) we support in principle the creation of two distinct planning level (area and regional) with distinct responsibilities.

If the two levels planning structure is adopted, we would envisage a reduced regional planning staff.

Recommendation 7.5

160. **We recommend that members of the regional and area municipalities' staffs should consult together from time to time in order to:**

(a) establish firm practices and procedures including a timetable for processing the various land use applications; and

(b) examine methods for improving the public's understanding of planning administration in the region.

CHAPTER 8

BUILDING AND PLUMBING INSPECTION

Background

161. Building and plumbing inspection operates as a division of the planning and development department. All municipal building and plumbing inspection staff are regional municipal employees. One building inspector provides inspection service to each of area municipal authorities except in Haldimand. The workload necessitates two inspectors. One temporary and one full-time inspector, who is now principally assigned to Nanticoke, serve as floaters to provide cover-off for holidays or sickness. Normally the inspectors maintain office hours in the morning and undertake on-site inspections in the afternoon. two senior building inspectors are also assigned for buildings that exceed 600 square meters in area or three stories in height (heavy construction). For plumbing inspections, one temporary and one full-time plumbing inspector serve the entire region.

162. The building inspectors work from the area municipal offices rather than the regional administrative offices. This decentralized arrangement hasreceived general approval from both the building industry and the public.

163. The building inspection staff report through the chief building official to the commissioner of planning and development who, in turn, reports to the Planning and Development Committee of Regional Council.

Introduction

164. The principal mandate of the division flows from two provincial codes - The Ontario Building Code and The Ontario Plumbing Code. In addition, this division is responsible for administration of land use control by-laws (zoning), and certain administrative aspects of the region's involvement in particular federal and provincial home improvement programs.

Administrative Matters

165. Two senior building inspectors cover the issuance of permits and the inspection of heavy construction projects. Only two plumbing inspectors are employed in the Region. As in planning, there is ability to assign staff to cover the variable workloads in the six municipalities, and to provide the cover-off on holidays and sick leave.

166. Plausible argument can be made to support additional training to upgrade the skill of the local inspectors so that they may undertake heavy construction and plumbing responsibilities. But, implementation has both cost and time management implications. Such a program would have to be related to the trend of the regional economy. Requests for additional inspection or support staff for Nanticoke and Delhi are actively being considered.

167. Even small delays in the issuance of building and plumbing permits process can sometimes irritate the

public. In fairness, it is right to notice that the division of approval responsibilities can vary considerably and may include The Ministry of Labour, The Ministry of the Environment (the local health unit), the conservation authorities, and the local municipality (access and parking). Relocation of the approval process to the local municipality would not redress concerns related to time or "red tape", except marginally. Nor are we persuaded that the time has come to make inspection services a local service.

Summary

168. The consensus apparent to the Board of Review was that relocation of inspectors to the area offices would improve service. However, we are not persuaded that the time has come to devolve the responsibility for inspection services to the area municipalities. The prospective cost analysis referred to in Chapter 7 (planning) may supply the final insight.

CHAPTER 9

ECONOMIC DEVELOPMENT

Background

170. It is convenient to include industrial, commercial and recreation-tourism development as components of economic development.

171. The history of responsibility for economic development may be shortly summarized. The Regional Act, as amended, vests the upper-tier with responsibility for economic development and the authority to permit area municipalities the appropriate powers to deal with development lands acquired by them prior to March 31, 1974. In 1977, the regional government became actively involved with the establishment of a regional economic development committee. In subsequent years, staff were hired and two industrial parks (Simcoe and Delhi) were acquired and developed. From time to time the departmental reporting functions have alternated between a committee of regional council and a committee of local area mayors, through the chief administrative officer (CAO) or the regional chairperson.

172. At present, the regional economic development department reports to the Regional Planning and Development Committee and, unlike any other regional department, economic development falls outside the jurisdiction of the CAO. The Director of Economic Development liases with, and reports to, the regional chairperson.

The Involvement of Local Government

173. Critics claim that there is no unequivocal or quantifiable method of ascertaining whether local government is directly and unilaterally capable of fashioning economic development. We prefer not to engage ourselves in that argument.

174. We recognize the limited range of issues, including economic development, that can be settled unilaterally by local government. It is quite a different thing to develop empirical measures to aid local economic expansion.

175. Experience has shown that a positive role for regional government in Haldimand-Norfolk in relation to economic development is desirable, if not inescapable, if the Region is to realize its potential.

176. As to methods to promote economic development, there are no sovereign answers and no sovereign methods. It's important to realize that the cost of promoting development, including the purchase and servicing of land and the advertising and marketing of industrial sites, is generally a long-term expense with no guarantee of a quick return. However, the location of industry is not always a gift of happy accident. Sometimes much can be done by persuasive advocacy, development strategy and attractive industrial sites in a sufficient state of readiness.

177. It should be noted that the regional economic development department has been active in planning for industrial sites and, for its part, has aimed to

have reserves of land available in strategic locations.

178. For some time Haldimand-Norfolk has been overlooked as a base for economic expansion. The fact that industries located in the Region is often due, in no small way to the imaginative steering and work of the regional department of economic development.

179. The need to pursue economic expansion was a fevering constant among all the submissions made to the Review Board. Subject to a few notable exceptions (yet to be cited) these submissions were concerned primarily with the means of locating branch plants in Haldimand-Norfolk. Undoubtedly, new branch plants make for gains in economic development.

180. The consultants commissioned by the Review Board, the DPA Group Inc., gave the weightiest sponsorship to the view that the best hope for economic development is the expansion of existing local businesses. Informed opinion is in general agreement that approximately 70% to 80% of new growth in most areas is attributable to expansion of existing local businesses. It is in this sphere that the local development department can often play a meaningful role.

181. Our evidence tends to confirm that location decisions for new plants depend on many factors, few of which can be decisively influenced by local governments. Not surprisingly, the salient factors are market driven, that is, the profit potential operating in the national economy determines the location.

Should Economic Development Be Divided?

182. It's generally assumed that the paramount powers to be exercised in economic development should rest with the regional authority. We believe that this assumption is correct. To suggest that there may be scope for the exercise of limited economic development powers at the lower-tier level is to divide local economic views.

183. Lower-tier activity is challenged on three grounds:

1) it could result in duplication of activity;

2) lower-tier municipalities lack the substantial resources needed to sustain an adequate developmental scheme (with the result that they focus on narrow objectives and provide only limited benefits); and

3) divided responsibility runs counter to the rationale of regionalism to promote a more efficient and effective system of development in the Region.

184. Despite the force of those arguments, there is evidence that effective work is being done, on a limited scale, by lower-tier municipalities. For example, we were told that the Town of Simcoe has attracted new business which would not have located there without that particular effort.

185. Another point to consider is that lower-tier authorities are involved in the provision of part of such services as maintaining local roads, collection

of waste, as well as amenities and recreational facilities for the employees. These services cost money to provide and the fact that they are lower-tier responsibilities simply confirms the ties that link business and lower-tier municipalities. Moreover, local business associations often provide auxiliary assistance to a local development office which might not be as readily available to a regional office.

186. With this in mind, we affirm our view that the regional authority must maintain the paramount responsibility for economic development, but we think there is scope for the exercise of limited functions at the lower-tier.

187. The present regional mandate of economic development is ambiguous. Two area municipalities, with the apparent approval of the regional authority, already have economic development offices. And other lower-tier authorities annually budget funds for development purposes.

188. Where functions are shared, it is imperative that these are coordinated and cooperative efforts to carry out economic development policy - if only to avoid the duplications and waste of resources which could result from having more than one authority performing the same service. A simple illustration of cooperation is worthy of mention: the Township of Delhi annually prepares a local brochure that fits neatly into the regional economic development promotional material in terms of size and quality.

189. We believe that the Regional Authority should have

paramountcy in the function of economic development including, but not limited to the following:

- Commercial/Industrial site development and sales.
- All relevant research and analyses.
- Tourism.
- Industry, Trade and Technology (MITT) and Department of Regional Economic Expansion (DREE) contacts.
- Economic development strategy.

190. We think that the area municipalities should be allowed to play a part in economic development. The question is, what part?

191 In our view, it would be helpful to economic development in Haldimand-Norfolk if area municipalities were given the discretion:

- To market regionally owned commercial/industrial sited located within the boundaries of the respective area municipalities under an arramgnement similar to that in practice at the present time;
- To liaise with local industries and or organizations such as the Chamber of Commerce or the Board of Trade to promote economic development.

192. The duty of lower-tier authority in matters of economic development should be no greater than the duty to decide or not to decide to exercise the discretionary powers allocated it.

Economic Development Strategy and Objectives

193. In common parlance, economic development strategy means having a well-conceived sense of "where a municipal authority wants to go" and "how it plans to get there". It is more than a managerial duty; it is a way of thinking about the whole business of economic development in the Region.

194. The work of devising strategy ought to be a collaborative exercise. We believe that the interest, knowledge and enthusiasm of the various business sectors in the Region could play a substantial role in this process. Setting up an advisory committee would help to achieve this communal strategy. Of course, it is up to the Regional Council to prescribe the constitution, scope and budget of such an advisory committee.

195. In the hope of contributing something that might be a starting point for discussion, we venture to suggest that an advisory committee membership consist of approximately fifteen members, with three nominated and appointed by the Regional Council and two nominated by each of the area councils. The membership, as we visualize it, would be representative of the agricultural, commercial and industrial sectors of the community.

196. In order for an advisory committee to acquire an effective status in the regional administrative systems, it is essential that its work be effectively integrated with that of Regional Council. To ensure that the advisory committee works smoothly with the relevant regional council committee and departments either the regional chairperson or a regional councillor should be put in the charge to provide the political weight to channel for the advisory committee's advise and recommendations to regional council.

197. To adapt the views of Donald J. Savoie, Executive Director of the Canadian Institute for Research on Federal Regional Development, realistic development objectives should be defined for the Region. These objectives must be clear and precise to assist in creating comprehensive strategies. The importance of defining objectives can hardly be over-emphasized. Wide-sweeping objectives serve little use in planning new initiatives or in gauging the progress made in developing the industrial potential or growth of the Region.

198. In the context of a regional advisory committee, the role of the regional economic development department and the planning department would not be enfeebled. On the contrary, we believe it would be enhanced. These departments would be necessary coefficients with the proposed advisory committee.

199. Those opposing an advisory committee claimed that the success rate of advisory bodies have varied and

that frequently they encourage incompatibility in policy between the council and the committee.

200. Although respecting this difference of opinion, we believe that the regional council would be better informed as a result of information made available to it by an advisory committee. Success or failure often depends on the spirit in which parties approach matters of common concern. Fair play and the right mix of personalities can make an advisory committee system work. There is high authority for the view that the letter killeth but the spirit giveth life.

An Industrial Development Corporation

201. An alternative to establishing an advisory committee is an Industrial Development Corporation to which the Regional Council would delegate its industrial development powers, in part or in whole, for a specified period, say 12 to 15 years.

202. Precedents are not lacking for the establishment of a regional industrial development corporation.

203. For illustrative purposes we refer to the Niagara Region Development Corporation (NRDC) which has the authority to carry out all economic development activities on behalf of the regional council, except the development of industrial land.

204. Our attention was drawn to the establishment of a non profit subsidiary corporation of the NRDC styled LINC (Locating Investors for Niagara Companies) as one example of a practical idea in assisting local business enterprises.

205. The NRDC acts in an advisory capacity through its board of directors and is subject to the regional council's unfettered control over its budget and basic policy line.

206. Obviously the NRDC is a sophisticated advisory mechanism designed to serve a much more populous region than Haldimand-Norfolk and one with different economic features. These differences have led the Board of Review to conclude that an advisory committee approach might satisfactorily serve the interests of Haldimand-Norfolk with the same degree of single-mindedness that specialized corporate authority could be expected to show. However, we would leave the choice, if one be made to the Regional Council.

Recommendation 9.1a

207. **We recommend that the Regional Council of Haldimand-Norfolk establish an advisory committee, as representative as reasonably possible of the agricultural, commercial and industrial sectors from the regional community. This committee should study and conceive of a prevailing order of ideas or programs as to how and where the Regional Municipality, and its constituent municipalities, could most effectively and efficiently direct their energies to promote economic growth and to advise the Regional Municipality accordingly.**

Recommendation 9.1b

208. **The alternative recommendation is that the Regional Municipality of Haldimand-Norfolk Act, 1973, be amended to provide for the incorporation of a Haldimand-Norfolk Industrial Development Corporation and that provision be made for the delegation of the Regional economic development powers, in part or in whole, to the Corporation for a specified period of time and subject to other provisions requested by the Regional Council of the Regional Municipality of Haldimand-Norfolk.**

Industrial/Commercial Land Inventories

209. Industrial and commercial sites, as already noted, are an indispensable part of economic development. Failure to think ahead for their provision, and the capital investment that goes with them, can have serious consequences for economic expansion. These are grounds for taking an inventory of the existing development sites.

210. The commercial land inventory totals 46.6 acres of designated vacant land within the region. Caledonia has 26.9 acres and represents the highest commercial acreage for the urban communities, while Hagersville and Port Rowan have no land available for commercial developments.

211. Although the zoned industrial land inventory totals approximately 560 vacant acres, the preponderance of available land is found in Simcoe and Haldimand. The municipal holdings represent only 156 acres, while private enterprise owns approximately 404 acres.

212. The conclusion emerging from these statistics is that there is a need for additional development sites. We believe that additional lands in each area municipality (designated and zoned), would assist in the following:

(a) expanding the site selection alternatives for industry and commerce;

(b) reducing the conflicts of industrial/commercial uses with the important and valued agricultural industry and the numerous environmentally significant resource areas; and

(c) allowing the local municipalities to play a more significant role in economic development.

Recommendation 9.2

213. **We therefore recommend that the Regional Council provide additional development sites in each area municipality, designated and zoned; in the context of the regional economic development strategy and with due regard to private sector development and cost benefit analysis.**

Arterial Roads

214. Good arterial roads are one of the services likely to promote the economic potential of the Region. The Regional authority should be credited with keeping the inter-municipality roads to a high practical standard. Of more immediate interest are

the provincial highways that provide the main industrial and tourist routes.

215. Easy to mind is the remarkable industrial growth within the landward area of Toronto: Hamilton, Oakville, Cambridge, Kitchener-Waterloo and Ingersoll are some of the growth centres. This well-developed industrial corridor has been nourished and sustained by advantageous economic factors especially its proximity to markets via major highways such as the 401, 403 and the Queen Elizabeth Highway.

216. The geographic areas peripheral to this industrial corridor (including Haldimand-Norfolk) have not been able to duplicate that industrial growth even on a smaller scale. Nevertheless, Haldimand-Norfolk has a number of comparative advantages in its economy on which to build industrial growth. One such advantage is that it is reasonably well-positioned geographically to enter the southern Ontario and American markets. However, better road communication with these markets would be an important part of the infrastructure needed to develop the Region's industrial potential.

Recommendation 9.3

217. **For this reason we recommend that:**

(a) the by-pass of Hamilton - by way of the main north-south route in the central part of the Region, Highway #6, be completed as soon as reasonably possible to provide ready access to Highway 403 and thus, to the Metropolitan Toronto market area.

(b) a few tortuous lengths of Highway #3, the main east-west route in the Region, be brought to a high practical standard to provide an efficient access to United States markets and sources of supply.

(c) the province commission a study of of Highway #3 eastward beyond the boundary of Haldimand-Norfolk to the United States border, to be done by the relevant municipal authorities.

Tourism

218. The functions beneath the generic heading "tourism", appears to fall under the aegis of the Regional Council. It's an activity as integral to the strategic planning of the Region as are initiatives for other economic development.

219. Tourism as a major industry in the Region is at an uncertain stage of gestation. New and imaginative ideas to promote the holiday industry and important Regional Council initiatives are already in train. Among them is a tourism study and a lively concern to create a close-working association with the industry for the input of ideas to promote interest in the Region's under-used resources.

220. To accommodate more tourism, the industry itself will face a challenging task and will require more than separate action by individual interests.

221. It will be essential to draw up and implement development plans to ensure that the amenities of

each area in the Region are safeguarded. These plans will need to take into account: the kind of tourism that individual localities are best suited to provide; their capacity to receive tourists and increase that capacity; the measures required to develop or preserve the Region's attractions; and the possibility of extending seasonal activities. All this will largely be a matter for the planning and economic development department of the Region in cooperation with the tourism industry and area municipalities.

222. Haldimand-Norfolk has Lake Erie with its shoreline well fashioned by nature for pleasure, the historic and scenic Grand River, and other natural resources to attract, the growing influx of tourists. The number of visitors requiring accommodation should also rise. The Region should be able to increase its earnings from tourism over the ensuing years. There will, however, be a need to continue efforts to raise standards so that visitors may enjoy the modern comfort as well as the traditional welcome which await them in Haldimand-Norfolk.

223. To achieve the possibilities of further tourism development, cooperation will be needed by those in the provincial administration concerned in fostering the industry in Ontario. The success of efforts by the industry to "sell" Haldimand-Norfolk will depend in part on the willingness of the regional authority to be involved in promotional activity.

224. It remains for us to notice a small, separate, but not unimportant matter, that dovetails in such a way as to justify its inclusion in the section on

tourism. From evidence given to us at a public meeting, we find that certain trees (i.e. cucumber trees among others) that decorate the truly exceptional Carolinian area of the Region are endangered due to mindless destruction.

Recommendation 9.4

225. **We recommend that the Ministry of Natural Resources take legislative action to protect the rare variety of trees particularly indigenous to the Carolinian area of the Region.**

226. Area municipalities in this region appear to have no direct role in discharging the function known as tourism. However, lower-tier authorities are concerned with preserving and enhancing parks andthe natural beauty of the local countryside - all of which is complementary to tourism. To their activities we add the work of the four conservation authorities in conserving much that is pleasant, attractive and important in the Region.

227. Understandably, the regional authority's policy, as well as its willingness to implement the tourism policy, could be influenced by considerations of financial priorities. This kind of development will call for ingenuity, patience and goodwill on the part of the Regional Council, (already conscious of the long-term benefits) the tourism industry and the Region's inhabitants.

Agriculture

228. The Economic Outlook Report of the DPA Group Inc. confirmed the primacy of agriculture and agriculture-related businesses in the economy of the Region. The industry continues to endure though many farmers are suffering a severe adjustment period resulting, principally, from the decline in tobacco production.

229. Large-scale industrial expansion in the Region is not likely to come about overnight and, until it does, the Region cannot do without the advantages conferred on it by the farm sector of the economy. A sustained reversal of what has long been considered the securely established agriculture industry would probably dislocate the economic life of Haldimand-Norfolk.

230. The regional economic development strategy should promote the welfare of the agriculture industry and its related businesses.

Recommendation 9.5

231. **We recommend that a conference, composed of no less than six members of the Regional Council and three members of each of the Haldimand and the Norfolk federations of agriculture, be convened by the Chairman of the Regional Council at least once a year, commencing in 1990. The conference so convened shall include on its agenda the following:**

(a) matters of regional and area governments pertinent to the interests of the agricultural industry (i.e. severances, zoning variances);

(b) concerns regarding the regional official policy plan in respect to agricultural severances;

(c) such other matters as are agreed upon.

Summary

232. We can best sum up this Chapter by providing a synopsis of the recommendations. We have recommended that the Regional Council should have exclusive power and responsibility to locate, develop and market industrial sites, and to devise industrial strategy. To the formulation of an economic development strategy, we have recommended the deployment of an advisory committee to be appointed by the Regional Council.

233. We have recommended that those economic development functions already given to the area municipalities in practice, be formally allocated to them, if so desired. This should include the power to market and sell serviced industrial land as under the existing arrangement, with the consent of the regional authority.

234. We have recommended that the area municipalities be entitled to nominate a specified number of members to the proposed advisory committee for economic development. To ensure access to the Metropolitan Toronto and the United States markets, we have

recommended that the Provincial Government complete the Highway #6 by-pass of Hamilton to provide a ready access to Highway 403 and that Highway #3 be brought to a high practical standard.

CHAPTER 10

PERSONNEL SERVICES

Background

235. Personnel services are a support service for the Regional Municipality and not part of its existing legislated mandate. This however, does not detract from their importance in the day to day operations of the municipality. Regional government has an immense job to do, employing approximately 650 staff, excluding police. A properly constituted personnel department not only provides a safe, satisfactory and secure working environment for the employees, it also serves the employer and the taxpayer by ensuring reasonable negotiations of wage and benefit packages and reducing workplace accidents and injuries.

236. All staff within the personnel department are regional employees. In addition, the department continues to expand its services to the area municipalities.

Introduction

237. Historically, the emphasis of the department has been on labour relations and its procedural aspects such as negotiations, arbitrations, conciliations, mediations and grievances. In 1982, the Regional Review Commission (commonly known as the Gilbertson Report) fostered a change in personnel services by recommending the establishment of an employee

relations committee to facilitate the development of an up-to-date personnel function. Council acted on the recommendations to the extent of establishing a committee. This was later abandoned and, in its stead, the council hired a director and expanded the functions of the personnel department.

238. Other functions already in place within the department are those that promote decent labour relations and provide efficiency, such as, staff training and development, job evaluation, benefits administration, performance appraisals and employee assistance.

239. Thus far the department's results in these areas have been encouraging. It has been suggested that its capability to assist other departments and area municipalities in an advisory role has not been realized even to the degree that was contemplated in the Gilbertson Report. A scrutiny of the department's record in the procedural aspects of labour relations indicates that events have rarely failed to support its advocacy.

Relations in Personnel Matters Between the Region and Area Municipalities.

240. We believe that the regional personnel department could successfully provide its services, if requested, to the six local area municipalities. The current practice is for area authorities to call on regional expertise during or after labour negotiations.

241. We also suggest that the Board of Police Commissioners might call upon the expertise of the personnel department in appropriate situations.

242. In another somewhat separate but related area, there is an informal working relationship between the regional personnel department and area staff that could be formalized.

243. The political law of gravitation has operated as it usually does and numerous provincial policy and legislative initiatives have made a substantial impact upon the local municipalities. We refer to WHMIS (Workplace Hazardous Materials Information System), pay equity, occupational health and safety changes, workers compensation changes, among many others. These policy and legislative changes have placed increasing demands and pressures on local staff and this, in turn, has given momentum to the practice of area staff to use the expertise of the regional personnel department in such matters. The consensus among staff is that this tendency ought to be formalized. This prudent suggestion does not reflect on the competence of the able and hard-working area staff; rather, it is first a question of available staff and time, and secondly a matter of efficiency. The Region, with manpower in excess of 650 employees can afford to allocate the delivery of these services on a more cost-effective basis.

Recommendations 10.1

244. For the reasons given above we recommend that:

(a) The Region and area municipalities enter into an agreement allowing the area municipalities to employ the services of the regional personnel department; and

(b) That the personnel department's services should be rendered to the area municipalities in an advisory capacity according to the terms and conditions stipulated in the agreement.

CHAPTER 11

HEALTH SERVICES

Preface

245. A recently added dimension to health care services warrants a brief observation.

246. The province has indicated that it will be emphasizing health care in the form of community-based services rather than "after-the-fact" treatment. This suggests a difference of emphasis in the delivery mechanism of health services. As the change in policy direction has not yet been fully executed, the effect of such a change must await the verdict of time.

Background

247. Prior to 1968 two independent county boards of health were in existence, one in Haldimand and the other in Norfolk. In that year the two county health boards merged to form the Haldimand-Norfolk Board of Health. The purpose of amalgamation was to achieve a greater provincial subsidy granted to larger area boards. After 1974 when Haldimand-Norfolk was regionalized, the Board of Health continued its independent existence even though its membership included seven members of the Regional Council and three representatives appointed by the Minister of Health. Funding for the Board's operation was on the basis of an 80% provincial contribution and a 20% regional contribution.

The Character of Local Health Services

248. In January 1984, health service was established as a department of the Regional Council and thus ended the Board of Health. Among the reasons for the change was the belief that local health services ought to be within local government. In addition, it was felt that the necessary co-ordination between health services and other personal social services would be better achieved if all these services were under the administration of the regional government.

249. The most striking feature of the regional health service is its comprehensiveness. The principal duties of the regional department spring out of its relationship to the Ministry of Health, but the Ministries of Environment and Labour as well as the Ministry of Community and Social Services are increasingly involved in the life and operations of the department.

250. The regional department of health services operates from three facilities: two in Simcoe and one in Cayuga. Additionally, there are store-front operations in Langton, Caledonia, Dunnville, Delhi and Hagersville. Whatever the implications of the recently announced provincial policy of emphasis on community-based health care services, the present regional focus has already shifted to a broader-based operation that is centred on preventative and pro-active health-care needs. This fact manifests itself in such programs as home care, school nursing, family planning and nutritional counselling.

Home-Care Services

251. This service is intended to provide the same services, at home, to patients who would otherwise require more expensive institutional care in hospitals and nursing homes. Probably no health care program has had such pervasive economic and social consequences in so short a time as home-care service. The home-care division of the regional health services department provides nursing, housekeeping, physiotherapy and speech therapy services. It also provides assistance for patients' needs by purchasing services from the Victorian Order of Nurses, public health nurses, home workers and social workers. The regional government offices provide the home-care division, on a limited basis, with such services as financial reporting and accounting, clerical and administrative assistance, on a charge-back system.

252. Home care is an instance of the legislative alchemy by which local governments are provided an essential service without expenditure: it is funded 100% by the provincial government. The purpose of this total funding is to ensure equal treatment for people in similar circumstances.

253. Expenditures in Haldimand-Norfolk climbed from $2,971,000 during the fiscal year ending March 31, 1987, to $4,060,000 in the year ending March 31, 1988, an increase of approximately 37%. However, we hasten to point out that the Watson report entitled, Comparison of Measures of Efficiency, makes it plain that the home-care division is operating on a comparatively efficient basis. As seen in Table 253,

Watson employed two measures of comparison: the cost per (discharged) patient and the cost per diem in the Region, with the provincial average costs. Both are generally accepted as sound reflections of cost and efficiency.

TABLE 253

COMPARISON OF COST FOR HOME CARE SERVICES

Type of Cost	Haldimand-Norfolk	Provincial Average
	1986-87 Actual	
	$	$
Cost per Discharged Case	$1,086	$1,144
Cost per diem	15.99	17.22

Source: Ontario Home Care Program, 1985-1986 Annual Report.

254. In Haldimand-Norfolk the cost per discharged case was 5.1% below the provincial average; the cost per diem was 7.1% below the provincial average.

255. Being totally funded by the province home-care expenditure has no effect on the regional levy. Consequently its efficiency of operation does not always attract attention. We venture to suggest that the comparatively efficient operation of the home-care division is noteworthy.

Public Health Services Expenditures

256. The gross expenditures in the Region for public health services (including health inspection and control services) in the years 1977 and 1987 amounted

to $893,133 and $2,441,911, respectively. On the evidence of these figures, there was a 176.6% increase in expenditures in absolute terms during this 10 year period. But this percentage increase is of questionable relevance because it doesn't take into account inflationary increases.

257. In order to bring the matter into focus it may be adjusted in this way. The 1977 expenditure of $893,133 expressed in 1987 terms was $1,889,869. This recognizes an inflation rate of 106.5% and household growth of 5.1% during this 10 year period. On the basis of this adjustment there was an increase in expenditure in the 1977-87 period of 30.7%, more than the growth in inflation and households.

Impact of Health Services Expenditures on the Net Regional Levy

258. What matters most to ratepayers is how big their tax bill is. As we have seen, the gross expenditure for health services in 1987 amounted to $2,441,911. Against that expenditure there were the following revenues: specific grants of $1,791,829; specific revenues of $133,423; and general revenue of $103,599. So the department finished up with a net expenditure of $413,060. This analysis demonstrates the importance of the grants in modifying the tax bills. The result was that health service expenditures accounted for only 3.4% of the total net tax levy in 1987.

259. Even though so compressed, a statement of expenditure and revenue of public health services makes clear the dependency of local government on provincial grants.

We will briefly pursue this matter in the chapter dealing with provincial-municipal relations.

Comparison of Costs for Public Health Services

260. Table 260 is a comparison of the per capita costs of public health services in Haldimand-Norfolk and the surrounding regional municipalities and counties. The health services compared are inclusive of health inspection and central services but exclusive of home-care costs in Haldimand-Norfolk, and the per capita costs in the other municipalities.

261. Table 260 shows that the per capita cost of public health services in Haldimand-Norfolk was higher than the cost in the surrounding municipalities. That some relationship must exist, between the size in population terms and functional efficiency, seems to be a generally accepted principle. It may very well be a significantly valid principle in the case of such services as water and sewers, other utilities and the like, but personal social services may not fit the same pattern to quite the same degree. This is not to imply that considerations such as population size and area are unimportant; we simply caution that Table 260 is only a comparison of cost per capita between Haldimand-Norfolk and the surrounding municipalities.

TABLE 260

COMPARISON OF COSTS FOR PUBLIC HEALTH SERVICES AND OTHER HEALTH SERVICES FOR SELECTED MUNICIPALITIES

Municipality	1985 Enumerated Population $	Health Services $	1987 Per Capita Cost $	Inspection and Control $	1987 Per Capita Cost $	1987 Total Cost $	1987 Per Capita Cost $
Haldimand-Norfolk	88,400	1,885,409	21.33	556,502	6.30	2,441,911	27.62
Hamilton-Wentworth	421,264	6,597,347	15.66	1,146,292	2.72	7,743,639	18.38
Halton	264,498	4,401,947	16.64	693,503	2.62	5,095,450	19.26
Niagara	369,312	5,574,907	15.10	972,975	2.62	6,547,882	17.73
Waterloo	328,224	5,086,598	15.50	-------	0.00	5,086,598	15.50
Brant*	101,212	2,372,333	23.44	-------	0.00	2,372,333	23.44
Oxford	84,757	1,658,981	19.57	-------	0.00	1,678,981	19.57

Source: Annual Financial Information Return

Note: * Health Services costs include the County of Brant and the City of Brantford.

262. Table 260 does not purport to be anything more than a piece of information placed in the total setting of health service costs in Haldimand-Norfolk. It may be a fair inference that the physical geography and population pattern were among the factors that contributed to the somewhat higher comparative cost of health services in Haldimand-Norfolk. For example, public relations and communications is an important aspect of health services that is both difficult and expensive in the large orbit within which the regional department moves.

263. In a laudable response to the problems created by population size and area, the regional department is steadily seeking to expand its store front offices. This kind of service mechanism seems to the Board to be indispensable to the workings of a department that is a conglomeration of so many different programs and services. Home care, family planning, addiction, speech pathology and AIDS education are 100% provincially funded. Other programs, such as public health nursing, dental, nutrition, and public health services, are 75% provincially funded and 25% regionally funded. Services offered by the department are legislated through the mandatory provisions in the Health Protection and Promotion Act, 1983. If the department does not comply with the core program requirements established by the Ministry of Health, provincial funding can be withdrawn.

264. To attempt to simplify the complex nature of the service functions, professionals in this field commonly refer to three distinct fields of care:

1)	primary -	low risk promotion; prevention programs;
2)	secondary -	high risk public health concerns; and
3)	tertiary -	hands-on treatment, i.e. home-care.

265. Primary and secondary care fields are clearly matters of local public health. An argument was pressed upon the Board that the close links between health care and social services make it difficult to define a line of demarcation between them in the area of tertiary care services. It was argued that home-care service delivery manifests both a health care and a social care aspect; as a result (it is said) there is a strong potential for duplication of service.

266. The argument raises a question that cannot be answered, nor can a definitive recommendation be given by the Board of Review. The potential for duplication of services in tertiary care would seem almost inherent in the nature of the services provided. The Board suggests that the Department of Health Services consider taking a fresh look at rationalizing the delivery of tertiary care service to avoid any potential for duplication of service. It is right to add that the effectiveness of health services was the subject of much favourable comment during the review process.

267. We note that the Regional Council is actively working towards accommodating health and social services under one roof. We commend this initiative. It is not just a matter of the heads of one service knowing what his or her opposite counterpart is doing. There is an interdependence of these services at the policy and planning level. Both services should be in a position to see the personal social needs of the Region as a whole against the background of the available resources of money, equipment and staff.

Hospitals

268. Regional Council has recently committed the municipality to a contribution of $10,000,000 over the next ten yers to fund major capital projects at The Norfolk General Hospital, The Tillsonburg District Memorial Hospital, The West Haldimand General Hospital and the Dunnville War Memorial Hospital. The planned projects are estimated to cost $50,000,000. The province will provide two thirds of the capital costs, with the additional funding provided by existing building funds and private or corporate donations. Hospital funding presents a problem that challenges the future resources of the Region.

Summary

269. Public health services and home care expenditures totalled $6,530,766 in Haldimand-Norfolk in 1987. Because of new programs, higher standards of service and inflation, among other factors, expenditures are steadily increasing. We suggest that the department consider taking a fresh look at the rationalization

of the tertiary care service delivery to determine whether there is a potential for duplication of service in this area.

CHAPTER 12

SOCIAL SERVICES

Background

270. By virtue of the Regional Municipality of Haldimand-Norfolk Act, 1973, the responsibility for municipal social services passed to the Regional Municipality on April 1, 1974. The department, which operates from its central headquarters in Townsend, delivers services by various means. Certain services are provided directly by the department, while other services are delivered to the clients through contractual arrangements. In addition, the Health and Social Services Committee of the regional council provides grants to certain social agencies to assist them in their operations.

271. To promote the smooth operation of the large regional department, a block of executive work and delivery of social services has been parcelled out to such local agencies as the home for the aged, and to home or local counselling service. As well, income maintenance (welfare) and general social services programs are made available by the department.

Introduction

272. In its early development, social services centred on welfare (income maintenance) and homes for the aged. These are mandatory programs that the local authority must initiate and support. Provincial grants have been used to encourage local expenditure on discretionary social service programs. This has

resulted in an impressive list of services now provided in Haldimand-Norfolk including special assistance and supplementary aid, homemaker/Victorian Order of Nurses, day care, marriage and family counselling, a parental support worker program, a job developer program and a municipal employment program.

273. Welfare (or income maintenance) assistance, is granted to any applicant subject to eligibility. Eligibility criteria for assistance are established and amended, from time to time, by the provincial and federal authorities. Although this is a short term relief program, discretionary or general welfare programs complement income maintenance maintenance programs by providing assistance beyond the short term. This includes retraining and rehabilitation programs to assist in re-entry into the work force.

Income Maintenance Division

274. Within the income maintenance division, employees are predominantly field workers assigned (on a rotating basis) to particular areas of the municipality. To best serve the clients' needs, services are to be provided in local municipal settings, usually in the residents' homes.

275. Generally, the regional municipality bears approximately 20% of the costs necessary to operate the income maintenance division. The remaining 80% comes from the province with the federal authority contributing a portion.

276. The income maintenance division's policy is to assist clients to move from dependence on welfare to an

independent status in the community. With the recent implementation of support programs, there has been a decrease in the general welfare assistance caseload. On the other hand in the last three years, the need for services such as special assistance, supplementary aid, homemaker/Victorian Order of Nurses, day care and counselling has increased.

277. Consistent with results across Ontario, the Haldimand-Norfolk social services department experienced a high success rate in referring clients to the Family Benefits Assistance (i.e. clients such as sole support parents, the permanently unemployable, and the disabled).

Social Services Expenditure

278. During the period 1977-1987, social service spending increased by leaps and bounds, with grant aid from the federal and provincial governments. Financial assistance contributing to the increase is classified under three categories: general assistance, assistance to the aged, as well as children's aid and day care.

(a) General Assistance

General assistance refers to all social services except homes for the aged, assistance to children and day care.

In 1977 the actual gross expenditures for general assistance in the Region, expressed in absolute terms, amounted to $737,456. This expenditure increased to $3,320,000 in 1987, a change of 350.2% during the ten years. Due to a steady increase in the rate of inflation and growth of households during this period, the percentage change should be considered in terms of constant dollars. The 1977 gross expenditure for general assistance in the Region, expressed in 1987 terms, amounted to $1,560,457. This represents a change in expenditure (again expressed in constant dollars) of 112.8% more than the growth in inflation and households.

The local taxpayers were protected from this formidable burden because the expenditure of $3,320,000 in 1987 was financed by: specific grants of $2,405,498, by specific revenues of $167,548, and by general revenues of $78.922. Consequently, the net regional levy for general social service assistance amounted to $668,032. This represented 5.6% of the total net tax levy.

(b) Assistance to Aged Persons

In 1977, gross expenditure for assistance to the aged (more commonly known as homes for the aged) amounted to $3,213,802. In 1987 the expenditure was $9,123,713, an absolute increase of 186.5%.

The gross expenditure for assistance to the aged in 1977, in constant dollars, was $6,800,405. Comparing the 1977 with the 1987 expenditure of $9,123,713 indicates a 35.0% increase over and above growth in inflation and households.

The gross expenditure for assistance to the aged in 1987 was funded, in part by: a provincial grant in the amount of $4,488,910 and by specific revenues of $3,664,002 (this revenue was essentially payment by the aged themselves) as well as general revenues of $194,662. As a result of this funding the net regional levy for assistance to the aged was reduced to $776,139. Stated differently, the total amount required to provide assistance to the aged was 6.5% of the total regional levy in 1987.

The regional department operates two lodges, Grandview in Dunnville and Norview in Simcoe. A recent report prepared by the regional social services department projects a 14% increase in the number of elderly living in Haldimand-Norfolk by 1996. The escalating health-care initiatives of home-support and home-care for seniors in the community has significantly altered the function of homes for the aged. The age of residents in the homes for the aged is increasing and the general health of residents reflects a need for chronic care. Such a higher and extended care level demands more specialized staff and other staff increases. The staff complement at Norview have increased from 108 to 120 staff members, while Grandview increased from 111 to 136 employees during the period 1986-1988. All this foreshadows a continuing growth of expenditure for assistance to the aged.

(c) Assistance to Children and Day Care Nurseries

The gross expenditure for children's aid and day care amounted to $613,299 in 1987: 2.6% of the Region's total levy in 1987.

279. In the past six years the Region has entered into contractual arrangements increasing the number of licensed day-care centres from two to the present fourteen.

280. Legislation requiring and encouraging new or improved services is the fountainhead of the local authority's increasing expenditure for personal social services. On May 19, 1989, the Ministry of Community and Social Services announced substantial changes in social assistance that represent significant economic an social investment. We are not in a position to assess the impact of these changes on the prospective problems foreshadowed in the regional social services department report, but we do not foresee the Region escaping unscathered from the continuing growth of expenditures for such services.

Questions Concerning Delivery of Services

281. Social and health services may be said to be different aspects of the same "infrastructure". These services are similar in character and are interrelated. They offer care to segments of the community rather than the community as a whole.

282. We recall the representation made to the Board regarding health services. It was suggested that, on the fringe areas, demarcation difficulties arise between the tertiary care aspect of health services and social services creating the potential for service overlaps.

283. Assuming that there is a potential for duplication of services, arrangements should be made for the closest co-operation between the regional department of health and the regional department of social services in the discharge of their respective functions.

284. Again, we wish to emphasize that, in speaking of co-operation between the two departments, we intend no criticism of these departments or their staffs. Representations to the Board were on the whole to the credit of both departments.

Summary

285. An examination of social services over the past ten years reveals a service delivery program in transition. The general public has constantly demanded the extension and advancement of existing services and programs. At the same time, there is mounting pressure to ensure equal service in all areas. Naturally, these demands have fostered substantial budget increases to social services.

Recommendation 12.1

286. **We recommend that the regional departments of Health Services and Social Services enter into discussions with the Ministry of Health and the Ministry of Community and Social Services for the purpose of defining the demarcation of service delivery responsibilities between the two regional departments, so as to guard against potential duplication, (if any) in the area of delivery of tertiary care services referred to in Chapter 11.**

CHAPTER 13

POLICE SERVICES

Introduction

287. Two distinct and independent forces provide police protection services in Haldimand-Norfolk: the Haldimand-Norfolk Regional Police and the Ontario Provincial Police.

288. The geographic division of the policing function between two different forces was a source of much comment to the Board of Review. To describe the substance of these comments a condensed statement of recent policing history is necessary.

289. It is appropriate at the outset to say that nothing contained in this Report should be construed as criticism of the Haldimand-Norfolk Regional Board of Commissioners of Police (the Board of Police) or the Haldermand-Norfolk Regional Police or the Ontario Provincial Police. The Board of Review acknowledges the value and importance of the contributions of both forces to the community measured out in years of service.

Background

290. The Regional Municipality of Haldimand-Norfolk Act, 1973 provided that in March 31, 1974, the Haldimand-Norfolk Police Board was to assume responsibility for policing those portions of the regional area in which a local municipality maintained a police force.

291. The jurisdiction of the Board of Police extends to the urban areas of Caledonia, Delhi, Dunnville, Hagersville, Port Dover, Simcoe and Waterford. The Act further provided that the Police Board may, with the approval of the Solicitor General, assume responsibility for policing and maintaining law and order in any additional portion of the regional area. To date, no request has been made to extend this jurisdiction of the Police Board.

292. The regional police operate from the headquarters division in Simcoe. This division also serves Delhi, Port Dover and Waterford. A second division operates from Hagersville and serves that community as well as Caledonia. A third division operates from, and serves, Dunnville.

293. The regional police reports, through the Chief of Police, directly to the Police Board. Neither the Police Board nor the Chief of Police has direct formal contact with the Regional Council or the regional administrative staff.

294. The Ontario Provincial Police (the OPP) has full law enforcement jurisdiction in those portions of the regional area outside the boundaries of the seven urban areas referred to above and including the provincial highway system. The OPP operates from three detachments situated in Cayuga, Port Dover and Simcoe and reports, through the senior detachment staff, to the Ministry of the Solicitor General.

Provincial/Municipal Relations

295. Historically, the Ontario Police Commission (a department of the Ministry of the Solicitor General) has adopted an advisory role with respect to the governance of municipal police forces in this province. This approach has allowed the Haldimand-Norfolk Board of Police considerable freedom and flexibility in the day-to-day management and operation of its municipal forces.

296. Of special interest are recent statements by the Solicitor General and the Ontario Police Commission that suggested, among other things, potential realignment of fund allocations (that is, grants) and the rationalization of OPP contracts for service.

297. At present, the Region of Haldimand-Norfolk is the beneficiary of a very generous provincial grant in support of regional police operations. The OPP servicing is cost-free. Across the province the OPP contracts for service range from cost-free to full cost recovery contracts. The random nature of the fees for service relate to the established conditions at the time of execution of a particular contract. They are uniform only in that they seek to be equitable in each case. However, the Ministry has indicated their current policy is not to extend cost-free OPP servicing services.

The Funding Relationship

297. In the funding arrangement with Haldimand-Norfolk,

the province giveth not only with the right hand but also with the left. The Ministry of Municipal Affairs, provides a grant of $50., per household to support police services. the Haldimand-Norfolk grant is based on the total household base for the Region. Although the Region has approximately 36,487 households (1987), in fact the regional police force provides police service only to approximately 14,258 households. The additional 1987 grant, based on unserviced households, represented in excess of 1.1 million. This escalated level of funding is a special concession to Haldimand-Norfolk.

298. We would be shirking our duty if we declined to review, to the best of our ability, the effectiveness and efficiency of police services in the region. Efficiency must be distinguished from effectiveness. Efficiency is concerned with "value for money"; effectiveness is concerned with meeting the needs of and responsibilities to the local community.

299. As regards effectiveness, our evidence indicates that the public is, on the whole, satisfied with the services provided by the regional police and the OPP. But the evidence questioned the cost efficiency of policing territorially fragmented areas with two independent police forces.

300. Law enforcement competes for the tax dollars with other "social" services provided by regional Council. As to the cost of regional police service, there are alternative contentions which have to be dealt with.

301. The C. N. Watson and Associates Ltd. report, Comparison of Measures of Efficiency for Municipal

Operations in Haldimand-Norfolk) reveals something of regional police costs. In effect the report states that:

- the regional police costs per professional hour in 1987 were anticipated to be 5.9% higher than the average costs in comparable sized municipalities.

- the cost of regional police services calculated on the basis of the households actually serviced (14,258 households) was $327 per household in 1987 which was substantially higher than the average per household cost in other regions in the Province except in Metropolitan Toronto.

302. This summary of part of the Watson report (Comparison of Measures of Efficiency) deserves a word of explanation to avoid misunderstanding. At the risk of repetition, we note that although the Region had approximately 36,487 households in 1987, the Regional Police were responsible for providing police service only to approximately 14,258 households. However, the unconditional police grant proceeded on the basis of the total number of households in the region.

303. C. N. Watson and Associates Ltd. considered it appropriate to examine the Regional Police costs on the basis of the number of households actually served, rather than the total number of households in the region and thus arrived at a cost of $327. per household.

304. The alternative contention stands on a different

footing: if the 1987 cost is calculated on the basis of the total number of households for which the police grant is provided, then the Regional Police costs are approximately $130. per household which is significantly lower than the cost per household in other regions.

305. We think that the approach of the Watson report (Comparison of Measures of Efficiency) is the more realistic of the alternative cost contentions.

306. In view of the financial facts outlined, it is only reasonable to examine the efficiency of the delivery mechanism of police service in the Region. The feature of this delivery mechanism which has most engaged our attention has already been mentioned: the territorially fragmented jurisdiction of two separate and distinct police forces operation in a single region.

307. The police's time and the taxpayers' money are ill spent when regional police have to travel through the OPP's territory in order to enter their own area of policing. Additionally, with two police forces, so circumstanced, there is room for duplication of services.

308. In our view, the facts of the situation disclose a strong probability that the delivery mechanism for police services is inefficient.

309. Efficiency and economy imply either the use of a single police force throughout the Region (except on provincial highways) or a more cost-efficient division of territorial jurisdiction between the two

police forces. In either alternative, some consideration must be given to the question of cost.

310. In contemplating the possibility of a single law enforcement agency, the Board of Review had intended to measure the comparative cost of regional police services and OPP services throughout the entire Region. The Ministry of the Solicitor General is not in a position at this time to give the Board a calculation of the probable cost of such OPP services.

311. In such circumstances, we refer the matter back to the Ministry.

Recommendation: 13.1

312. **We recommend that:**

(a) the Ministry of the Solicitor General undertake a study to identify a delivery scheme of police services that will do justice both to the claims of financial efficiency and to the law enforcement needs in Haldimand-Norfolk.

(b) regardless of the outcome of the said study, the unconditional "police" grant or grant in lieu thereof be continued to be calculated on the total households in the Region and in an amount not less than the current level.

313. Of special relevance to the issue of regional police costs in the nature of the "police" grant itself. By virtue of the Ontario unconditional Grants Act, this

grant is credited by the regional council to its general funds so that it may be taken into account in determining the regional tax levy.

314. Because of the grant system, any benefit that may result from a study of the financial efficiency of police services would probably accrue to the benefit of the province rather than to the region. This explains the recommendation in paragraph 312 (b). The Region's relatively limited resource base and its present financial responsibilities make it plain that it needs to continue receiving special treatment by way of the present unconditional police grant or a grant in lieu thereof, and partial cost-free OPP service.

315. There are also service delivery duplications and resulting cost implications in safety and community relations, drug enforcement, the identification bureaus, prisoner transport services and criminal investigations. In fairness, we should mention that there are joint efforts and co-operation between these two forces in other programmes.

Regional Police Operations

316. With the inception of the regional police force in 1974, uniformed personnel numbered 74 persons: a chief, deputy chief, inspector, staff sergeant, 6 sergeants and 64 constables. In 1987, the number of uniform personnel was practically unchanged, except for an additional staff sergeant. At this time there were 12 sergeants and 58 constables. In addition, 45 full and part-time administrative staff, including transfer guards, court administrators and dispatchers

were employed by the Board of Police.

317. The headquarters division at Simcoe is maintained on a 24-hour basis. Staffing at the Hagersville and Dunnville division offices is dependent on a civilian secretary during the day only. Constable attendance in the two divisional offices is intermittent.

318. Due to management decisions and changes in police functions, strength of the force on the street has been reduced from 64 constables to 58 officers. Of the 58 constables, 7 are also assigned to duties such as criminal investigation, staff training and public relations. The 12 sergeants are increasingly deployed in a supervisory capacity.

319. The Review Board respects the effectiveness of the current regional police services. An analysis of the size and composition of the regional force falls within the scope of the recommended study of the Ministry of the Solicitor General.

320. Advances in police services initiated in Haldimand-Norfolk since 1974, are mainly the following:

(a) The Canadian Police Information centre terminal;

(b) full 24-hour service in all seven urban areas;

(c) improved equipment and station facilities;

(d) improved staff training and development; and

(e) improved community relation programs.

321. The Board of Police employs the unusual practice of deploying civilians to perform duties such as the court officer, the summons server, the prisoner escort and within the identification bureau. This practice is used to reduce costs and to enable trained police personnel to pursue more critical duties.

OPP Operations

322. Approximately 85 uniformed personnel and 16 civilians are employed at the three OPP detachments in the Region.

The Police Board

323. According to the provisions of the Regional Municipality of Haldimand-Norfolk Act, 1973, the composition of the Board of Police includes:

(a) two members of the regional council appointed by regional council;

(b) a judge of the county or district court appointed by the province (later amended in 1983, the appointment continues to be a provincial appointee only); and,

(c) two other provincial appointees. (A quorum of the board is three members, providing one is a regional appointee).

Provincial Control Over Policing

324. The Province's strict exercise of its right to appoint a majority of the members to the boards of commissioners of police demonstrates a concern greater than in any other branch of local self government.

325. The explanation of the Province's concern appears to lie in the need to accord the police a special status so that in carrying out their law enforcement duties they can be assured of freedom from the pressures of local governing bodies. This sound principle has the Board of Review's unreserved support. When discharging a function as important to the public interest as the administration of the law, the police should be free from any political control or any kind of influence.

326. The Board of Review accepts the fact that the local police authority will always have to step delicately when dealing with the Chief of Police. We accept as well that the appropriate local police authority for Haldimand-Norfolk should be a board of commissioners of police.

327. However we believe that there is value in regarding the regional police as a local service. As we have seen police expenditure in 1988 accounted for 25% of the regional tax levy. It is important, in our view, that the policies of this policing service should not be seriously out of step with the pattern of local government. It is desirable to strengthen the link

between the Board of Police and the locally elected representatives of the people. We have heard no argument as to why this cannot be done without any erosion of the status of the chief of police, or increased risk of political interference in the daily police activities.

328. We think that this strengthened bond can best be secured by giving the Regional Council a majority of one on the Board of Police.

Recommendation 13.2

329. **We recommend that the Haldimand-Norfolk Act be amended to provide:**

(a) that the Haldimand-Norfolk Regional Board of Commissioners of Police consist of seven members: four appointed by regional council and three appointed by the Solicitor General of Ontario; and

(b) that a quorum of the Board of Commissioners of police consist of at least four members, of whom at least one is a provincial appointee and at least two are regional councillors.

330. This is not a novel recommendation. The frequency with which it is resurrected in Ontario is matched only by the frequency with which it is rejected. Yet its force has not been spent.

331. The views for and against have been well-articulated in the past and are, to some extent, well-known.

Briefly they are outlined in the following paragraphs.

332. The traditional position of the province appears to be built on the contention that it is essential to keep politics separate from policing. If this contention's sole purpose is to prevent political interference within the day-to-day operations of the police it has the Board's unalterable support.

333. A timely reminder is that all members of boards of police are political appointees. To maintain that there is a distinction between members appointed by the provincial government and councillors appointed by the regional council for the purpose of keeping politics out of policing is an unrealistic assertion. The political involvement of the provincial government is merely substituted by that of the regional council.

The Role of Politics in Policing

334. Politics and party politics are distinct entities. The expression "politics" although used in different senses can be simply illustrated. Few institutions are more remote from politics than the judiciary, yet, to quote Justice Jackson of the Supreme Court of the United States: "The court is occupied chiefly with statutes - and politics". Of course he used "politics" to mean policy-making and not partisanship. Used in this sense, it is hard to perceive a task more fundamentally political than the thrashing out (at a Board of Police meeting), of a new policy that would best meet the needs of the police and the requirements of a given community.

335. The principle embodied in the recommendation that a local police authority be composed of a majority of locally appointed members is reinforced by cases of Ontario. To borrow from the research of Dr. Philip Stenning, such cases are to be found in the membership of the police authorities in Calgary, Edmonton, Winnipeg and Halifax.

The Responsibility of Local Government for Expenditure

336. Accountability to the electorate is the essence of local democracy, and no non-elected body is capable of supplanting it. However, for accountability to be effective one thing is essential: that the financial responsibility of the regional council be matched by its control over the level and pattern of the expenditures for services. Accountability is the public's insurance policy.

337. To state accountability in different terms: the local policy regarding expenditure has to be determined by the locally elected representatives who may vary the emphasis and quality to suit the requirements of local conditions. The cost of their decisions is reflected in the payment of taxes by local taxpayers. The mechanism envisioned is that people would choose representatives whose interest intertwined with theirs and by the critical re-election decision ensure that they stay that way. The question to be faced is this: are the local expenditure decisions for policing in Haldimand-

Norfolk compatible with the principle of accountability which lies at the heart of responsible local government? Consideration of this question leads us to a consideration of the budget of the regional police force.

The Budget of the Regional Police Force

338. The chain of responsibility for the budget runs in this manner: the board of police prepares the budget for examination and approval by the regional council. The latter is required to approve the total amount. The control of the regional council over the budget is limited to a choice between approving the full amount of the budget (which in 1988 was 25% of the regional net levy for taxes) or exercising its right to appeal the amount to the Ontario Police Commission, a non-elected tribunal.

339. The Regional Council's dilemma is that any choice made will forfeit the principle of accountability.

340. In setting a regional budget councils have professed, for the most part, to go about their work empirically. In setting a budget there should be room for adjustment in the expenditure of individual services in response to the projected global level of regional expenditure. Expediency may tip the scales when the claims of different services are nicely balanced. It is a practice that has been duly tested by experience and has been found to be conducive to the general welfare of the taxpayers.

341. The present budget setting and approval process for police services is immune from the sensible "give and take" of expediency, logic and utility that shape the regional budget of all services. But on top of that defect there is also immunity from accountability to the local electorate, the first requirement any system of local democratic government.

342. It has been suggested to the Board of Review that the move to give the regional council a dominant position in its relation to the Board of Police may result in an inadequate or insufficient budget for police services. Not persuaded by these gloomy forebodings, we assume that a board of police, a regional council and an electorate will work together with responsibility, common sense and conscience.

Recommendation 13.3

343. **We recommend that the budget of the Haldimand-Norfolk Board of Commissioners of police should be subject to the approval of the regional council and the approved amount should be final and binding on the Board of Commissioners of Police as it is for a department of regional government.**

Summary

344. There are three major themes in this Chapter. First, is the belief that the material available to the Board of Review reveals a probability that the delivery mechanism for police services in Haldimand-Norfolk is inefficient due to the territorially fragmented jurisdiction of the police. Therefore, we

have recommended that the Ministry of the Solicitor General undertake a study to identify a delivery mechanism which will do justice to the claims of financial efficiency and to the needs of Haldimand-Norfolk in law enforcement services.

345. The second and third themes may be taken together. With diffidence and respect the Board expresses the view that the balance between provincially appointed members and the Regional Councillors on the Board of Police combined with the approval process for its budget make the expenditure for police services immune from the principle of accountability to the local electorate. To remedy this perceived defect, the Board of Review makes recommendations 13.2 and 13.3.

346. We wish to make it meticulously plain that with our recommendation it has not been our intent to criticize members of the Haldimand-Norfolk Board of Commissioners of Police or the members of Haldimand-Norfolk police force. We yield to no one in our respect for Honourable Judge Leach, and his colleagues on the Board of Police. Of the creative and cost-saving policies initiated by the Board this chapter contains attractive evidence.

347. The recommendations of the Board of Review are based on the belief that it is desireable to strengthen the bond between the police authority and the regional council and to give effect to the principle of accountability to the electorate.

CHAPTER 14

ROAD SYSTEMS

Background

348. On April 1, 1974, the Regional Municipality of Haldimand-Norfolk Act provided that the Region would assume jurisdiction and control of the former road systems of the counties of Haldimand and Norfolk.

349. The Province, through the Ministry of Transportation (MTO), enforces strict adherence to a three-tier program of road services. Generally MTO retains responsibility for construction and maintenance of the provincial highway system (highways 401, 403, 6, and 3, among others). The regions are responsible for the regional roads connecting area municipalities within the regions and the area municipalities are responsible for local roads.

350. The regional roads are maintained to a province-wide standard that represents a higher level of service than provided by the area municipalities. The Region receives grants of approximately 65% on approved construction and maintenance costs up to an annually specified level of expenditure, whereas, area municipalities receive grants of approximately 50% on approved construction and maintenance costs.

351. The Region and each of the six area municipalities maintain their own road barns, equipment pools and work crews.

352. As we see them, the regional and area road services adhere to the Ministry of Transportation's policies and directives. The effectiveness of their operations is not in question. However, some representations to the Board suggested that inefficiency is inherent in the allocation of road service functions between the two levels of municipal government.

The Ministry of Transportation and Communication Staff View

353. The Ministry staff to whom we spoke did not share the view that there was unnecessary duplication of buildings, equipment and crews in Haldimand-Norfolk. Moreover, they were of the opinion that a division of responsibility provided for, and enhanced, the priority and scheduling program for the two levels of service.

The Efficiency of Road Operations

354. The case for the efficiency of the present Haldimand-Norfolk structure of divided responsibility for roads was reinforced, to no small degree, by the findings contained in the Watson and Associates Ltd. report (the Watson Comparison of Measures of Efficiency Report). This report identified certain efficiencies in the operation of both the regional and area road departments by comparing costs and output with counties and other regions. The physical, social and economic characteristics of counties and regional areas vary widely and, for these and

other reasons, it is difficult to make a precise value-for-money comparison. Nevertheless the calculations are worthy of scrutiny.

TABLE 354

COMPARISON OF EXPENDITURES PER LANE KILOMETRE OF ROAD SYSTEM FOR HALDIMAND-NORFOLK, COUNTIES AND OTHER REGIONS IN 1987

Expenditures per lane kilometre	H-N ($000)	Average for Counties ($000)	Average for Regions* ($000)
Construction	2.7	2.8	6.8
Maintenance	1.8	2.1	4.4

Source: Ministry of Transportation Municipal Transportation Division.

355. In 1987 Haldimand-Norfolk spent on average $2,700 on construction per lane kilometre in the regional system. The average per lane kilometre for all counties for the same period was slightly higher at $2,800.

356. The C.N. Watson & Associates Ltd., report describes the comparative lower-tier expenditure costs thus:

TABLE 356

1987 EXPENDITURES ($000) PER LANE KILOMETRE OF ROAD SYSTEM

Jurisdiction	Lane Km.	Construction	Maintenance
Nanticoke	1,082	0.4	1.6
Dunnville	472	0.7	1.9
Haldimand	894	0.6	1.5
Simcoe	197	2.7	3.7
Delhi	935	0.4	1.4
Norfolk	1,008	0.4	1.7
Overall Regional Average		0.6	1.7
Average for Large Lower-Tier Municipalities (135)		1.0	1.9

Source: Ministry of Transportation, Municipal Transportation Division

357. "With the exception of Simcoe, all the municipalities in Haldimand-Norfolk fell well below the average 1987 construction expenditure per kilometre of road system for large lower-tier municipalities. As an urban municipality, Simcoe is subject to different road maintenance and construction standards and has far fewer lane kilometres over which to spread its expenditures. The average of all area municipalities in Haldimand-Norfolk for road construction expenditures was only 60% of the average for all large lower-tier municipalities".

358. This quote from the Watson Measures of Efficiency Report provides evidence of an efficient

operation. But construction expenditure on roads can vary greatly on an annual basis. Even though this evidence should be loosely interpreted, nevertheless, the comparison is favourable to the operations of all the road authorities in Haldimand-Norfolk.

359. A further analysis of both the regional and area municipalities' road costs points to a laudable policy of self-restraint. In terms of constant dollars (giving due regard to the growth of households and inflation) regional road costs were 5.6% less in 1987 than in 1977. The total road costs of the six constituent municipalities in 1987, expressed in constant dollars, were 16.1% less than the total costs in 1977.

Staffing

360. Some representations to the Board suggest that the regional road operations were overstaffed. A glance at the available statistics will induce a different view. In 1974 the regional authority employed 85 staff members; in 1982, 76 staff members; and at present there are 73 staff members. From 1974 to 1982, the regional road system grew from 463 to 483 miles. Today it extends approximately 850 kilometres (520 miles).

Questions of Efficiency

361. One method of economizing suggested to the Board was by contracting out more work to private firms and area road departments, where feasible. Added to this was the proposal that capital equipment

purchases could be reduced by leasing more equipment along with joint purchasing and equipment pooling with the area municipalities. These purported cost-saving proposals should be further considered by the relevant authorities. However it should be noted, that the present business practice of the road authorities have been and are consistent, in many aspects, with the proposals in question.

362. The records show that the regional authority employs certain area departments for winter works, road grading and sweeping services; that the Region contracts out major portions of hot-mix paving work, some weed spraying and specific construction projects; and that the Region shares equipment rentals with the area authorities. There are also other examples.

363. For an extension of this policy another matter has to be taken into account. In contracting out there may exist a possibility of conflict with employees' collective bargaining agreements and contracts. In the relationship of the municipal authorities and their employees, contracts and collective agreements must be accommodated.

364. Certain representations made to the Board expressed concern about the lack of uniform maintenance standards among the area municipalities. The concern that was most frequently sounded, was the lack of a uniformity in the application of winter salt and sand on area roads. Some municipalities salt and sand the surface of all roads; others only salt and sand

intersections, major hills and curves. Grass and weed cutting on road sides varies from inadequate to excessive.

365. The burdensome analyses necessary to determine whether the potential savings are real or illusory is beyond our mandate. In a regional system, co-operation, both "politically" and administratively between the Region and its constituent municipalities is the touchstone for exercising wise judgement in the interest of the Region and its people.

Recommendation 14.1

366. **We therefore recommend that the appropriate members of the administrative staffs of the regional and area municipalities should constitute a committee with set rules and procedures, to discuss and make recommendations in all matters of public interest and common concern including, but not limited to, the following:**

(a) a review of road operations throughout the Region to determine whether economies can be affected by:

  (i) the increased use of contract maintenance agreements between regional and area authorities, especially for winter control;

  (ii) joint purchasing or leasing equipment, and,

(iii) regional contracting out of work to area municipalities or private firms under appropriate circumstances.

The Town of Simcoe Brief

367. In its brief the Town of Simcoe marshalled the argument that it bears an unfair portion of the regional road costs. In short Simcoe's case is this: it has 1.5% of the regional roads within its corporate limits but pays approximately 17% of the total 1988 regional operating requirements for transportation road services.

368. We can appreciate the Council's feeling of grievance. This issue concerns a basic problem of regionalism: the relation of a region to its constituent municipalities in the critical sphere of apportioning the cost of regional services.

369. As a matter of general principle, the responsibility of the regional government extends to that part of the road network in the region which is mainly required for passage from one part of the region to another. These roads help to maintain the rationale of regionalism.

370. To illustrate: the DPA Group Inc. report on the economic outlook indicated that more people commute to Simcoe rather than to any other centre in the Region to satisfy their economic and social requirements. Regional roads outside of the corporate limits of Simcoe make much of this commuting conveniently and economically possible. This is to the mutual benefit of Simcoe and the municipalities where the commuters reside. This

makes the regional road costs a valid and acceptable regional expense. In devising ways and means for making the federated structure work the constituent municipalities may sometimes have to accept less than absolute equitable methods of apportioning regional expenditures for regional services.

371. To support its case, the Town of Simcoe turned to a precedent. In 1972, in not dissimilar circumstances, Simcoe was paid a 25% rebate for its county road costs. Under the provisions of the Public Transportation and Highway Improvements Act a county is required to rebate certain municipalities at least 25% and not more than 50% of the road costs. With the aid of this example, it was argued that, in exceptional circumstances, an adjustment in the apportionment of road costs in a federated system of local government was conceded. That principle of adjustment (so ran the argument) fits the current conditions in Simcoe.

372. In considering this it is important to note that when the regional structure was formed, no legislation was put in place to provide for a rebate to a constituent urban municipality in similar circumstances.

373. Where there is no remedy there can be no relief. Since the Province has not fashioned a remedy we can only conclude that the Province considers such rebates to be incompatible with the method of apportionment for the costs of regional services.

374. The heart of the matter is this. It is not appropriate to evaluate the monetary responsibility of a single service in isolation. Regionalization has produced a whole series of regional services with varied cost benefits and burdens. One illustration may help to explain. Before regionalization, the cost of policing for a taxpayer in a predominantly rural municipality was insignificant. With regionalization, the same taxpayer has had to share in the cost of a police force which had to be sophisticated enough to also serve the urban area municipality. This degree of sophistication required an expenditure for regional police services in 1987 in the amount of $5,792,544.

375. Regionalization has resulted in a higher responsibility for police services on the rural taxpayer but provided little direct benefit. Conversely the same rural taxpayer probably paid more for the cost of country roads because of the contributions to his urban counterpart in the Town of Simcoe.

376. The present method of apportioning the cost of regional services has evolved as an equitable means of accommodating public interest in a setting of co-operative regionalism. In order to raise the money to pay for all regional services the Regional Council fixes the net levy, and thereby, declares property throughout the Region subject to taxation at a fixed rate upon its assessed valuation.

377. The Mayor of the Town of Simcoe presented the Town's case with vigour and ability; but in our respectful view, it is the total effect of the net levy for all regional services that counts. To the argument of the Town of Simcoe we cannot yield our assent.

Traffic Regulations

378. By virtue of the Regional Municipality of Haldimand-Norfolk Act, 1973, the power of area municipalities to enact by-laws for the regulation of traffic on local roads is subject to approval by the Regional Council. If the Board understands the situation aright, the prevailing opinion among regional and area authorities is that this power should be exclusively that of the area municipalities. We agree with this opinion.

379. The regulation of traffic on local roads is part of an area municipality's own finances and corporate activities. In our view the responsibility for traffic management should go along with the responsibility for roads.

Recommendation 14.2

380. **We recommend therefore, that the Regional Municipality of Haldimand-Norfolk Act, 1973 be amended so that an area municipality can be vested with the power to pass by-laws regulating traffic on roadways in its jurisdiction and exclusive of the powers of the Regional Municipality.**

Summary

381. The regional and area road services, as we see them, adhere to the Ministry of Transportation's policies and directives. The effectiveness of their operations is not in question. Both the regional and area municipalities have shown prudent restraint in expenditures for road services. In terms of constant dollars, total regional and area road expenditures were 13.6% less in 1987 than in 1977.

382. We explored the potential for further cost reductions in the management of road maintenance. Accordingly, we have made a three part recommendation dealing with: increased use of contract maintenance agreements between the two tiers, joint acquisition of equipment, and contracting out arrangements.

383. At present, the regulation of traffic on local roads is financed and managed by the area municipalities, but the Region is required to approve local traffic by-laws. To rectify this situation, we have recommended a clear delegation of the power to pass by-laws regulating traffic on local roadways to the lower tier.

CHAPTER 15

WATER AND SANITARY SEWER SYSTEMS

Background

384. On January 1, 1975 the Regional Authority assumed responsibility for the supply and distribution of water and the collection and disposal of sewage, pursuant to the provisions of the Regional Municipality of Haldimand-Norfolk Act, 1973. Previous to that date, these matters had been regarded as distinctly a local concern and the responsibility of the respective local public utilities commissions (PUC).

385. There are twelve urban areas with both water and sanitary sewer systems. In addition, Courtland has a water system and Oswego Park has a sanitary sewer system. The twenty-six systems are either operated and maintained by regional staff or by the Ministry of Environment (MOE) under contract to the Region. The MOE also operates all regional sanitary sewage treatment facilities under contract to the Region. Since 1975, these individual systems have operated as separate and independent entities, each with its own revenues, expenditures, reserves and debt responsibilities. The costs of operating each system were expected to be offset by the revenue generated from that system. In effect the customers were paying for their respective services on a user-pay principle.

386. In 1980 the water and sanitary sewer department was re-organized. While seven staff continue to provide planning, engineering and supervisory services from the Regional Municipal offices at Townsend, the operation and main functions of water and sanitary sewer services were combined, and now operate from the three separate depots - Cayuga, Port Dover and Simcoe. This decentralization of staff has improved the public relations/communications aspect of the departmental operations.

387. It is perhaps noteworthy that the public has no direct contact with the depot offices. We assume that this is an internal policy decision and therefore, we pause before deciding to make a comment. On the basis of representations to the Board it would appear that if, in the least case scenario, maintenance control is not delegated to the depots, there will be lacking the full nexus of good customer/area government relationship.

388. We make no recommendation in this matter but we respectfully suggest that consideration be given to:

(a) delegating the responsibility for maintenance control to the regional depots; and

(b) providing the public with direct telephone communications to the regional depots.

Systems Condition

389. The Economic Outlook report of the DPA Group Inc.

noted twelve major sanitary sewer and water deficiencies within the Region. In 1987, six of the deficient systems were designated by the Ministry of the Environment as being eligible for special enriched grants for much needed remedial construction work. These systems and the level of the enriched capital grants were as follows:

Caledonia Sewer	**33.27%**	**Port Dover Sewer**	**45.90%**
Jarvis Sewer	**81.21%**	**Cayuga Water**	**82.29%**
Hagersville Sewer	**67.90%**	**Port Rowan Water**	**85.00%**

390. These rates of subsidy provided the Region with an overall funding level of about 56%, based on total estimated costs and total estimated subsidy at the time of the announcement.

391. As we have seen, the individual water and sewer systems have operated as separate and distinct entities since 1975. Then came 1988, and with it the controversial question of whether the Region should implement uniform water and sewer rates. On this question the Regional Council was a house divided. There were respectable arguments on both sides. In the end a majority of the Council turned down the proposal for uniform rates.

392. But the proposal was not as dead as some had supposed. It was decided to administer oxygen to the patient in the shape of special MOE grants for the six specified projects, conditional upon the implementation of uniform rates. The patient responded to the treatment. In December, 1988 uniform rates were approved by a majority vote. The

uniform rates are being phased in over a three-year period; with full implementation expected by 1992.

393. The approval of uniform rates means that the overall rate of subsidy or capital grant on the six projects was increased from 56% to 75%. At the time of the announcement of the MOE offer to further enrich the grants. The portion of the capital grant conditional on the implementation of uniform rates was estimated at $3,800,000. This estimate was based on projected capital costs of approximately $20,000,000.

394. The recording of projected costs is hardly an exact science; the conditions and values surrounding it are constantly in flux. Current information in the Region's 1989 capital budget indicates that this special grant enrichment could be in excess of $6,500,000., based on projected costs of almost $40,000,000.

395. Based upon the 1989 cost estimates, the full amount of provincial funding for these six projects is estimated to exceed $28,000,000.

396. Further discussion of uniform rates is contained in the chapters that follow, and details on the individual projects, enhanced funding and special conditional funding are provided in Appendix 2, Table 2.0.

397. We would do well to remember that no scheme has yet been formulated to finance the costs of the remaining six sanitary sewer and water deficiencies highlighted in the DPA Group Inc., report. Admittedly, certain

economies of scale are lost in capital construction and service delivery because the individual systems are not integrated and do not serve a large population base. On the other hand, each system needs specialized engineering staff. A better service may result if their skills are applied over wide areas.

398. In support of retaining water and sewer service at the regional level, there is an argument to be drawn from the contamination of the St. Williams water supply. The St. Williams system in the Township of Delhi is a private facility. The estimated cost of remediation is beyond the resources of either the area municipality (net of provincial grants) or the users of the system.

Legislation and its Potential Cost Effects

399. Of those changes bearing upon the delivery of water and sanitary sewer services in Haldimand-Norfolk we refer to three:

(a) Certification Program - for water and waste water utility operators.

The objectives of the program are to promote accepted standards for employment, training, and development of efficient personnel for the operation and maintenance of public and industrial water and waste water utilities in Ontario. It is reasonable to infer that both the standards of operator efficiency and the wages of the municipal operators will increase.

(b) Municipal/Industrial Strategy for Abatement (MISA).

Pending legislation on water pollution control (discharges to sewers, etc.) is likely to generate need for an enlarged departmental staff (inspectors, technicians, etc., or the employment of private contractors) to check on the elimination of toxic contaminants from liquid waste. Monitoring and enforcement will also demand expenditure. With final adoption of the relevant regulation, we think it reasonable to expect that related costs will attach themselves to water and sanitary sewer departments.

(c) Health and Safety Regulations.

The increase in site health and safety regulations means that the public and private sectors will have more to do, especially in the sphere of inspection.

400. Not all of these regulations or amendments - some are still in the legislative mill - have acquired the bite of the law; but they stand on the threshold of an open door to that status. The cost of their implementation may not be very great but it will no doubt be far from negligible, particularly for the Haldimand-Norfolk area municipalities because of their limited resource base.

Summary

401. Water and sanitary sewer services require large and expensive capital works and specialized engineering staff. We believe that the scale of administration should be wider than an area municipality.

402. Proclaimed and pending legislation or regulations such as, certification programs, MISA and health and safety standards, imply a future need for maintaining a more centralized administrative unit than in an area municipality. Furthermore, the DPA Group Inc. have noted twelve major sanitary sewer and water deficiencies. A program is in place to resolve the problems of six of the systems; future monies will have to be found to improve the other six works. To fund any one of the latter six would be a very burdensome task for an individual area municipality.

CHAPTER 16

WASTE MANAGEMENT

Background

403. This service has various components, foremost among which are collecting, dumping and disposing of waste. It is an expensive and yet indispensable local government service. It follows that efficiency and effectiveness are of great importance.

404. Authority for collection is separate from disposal. On April 1, 1974, the Regional Municipality of Haldimand-Norfolk Act, 1973, provided for the Region to assume authority and to provide the facilities for the purpose of receiving, dumping and disposing of waste. Collection of waste was deemed to be a separate matter and the area municipalities retained authority for the collection of household waste.

405. In 1974, the Region assumed responsibility for the operation of twelve landfill sites and nine transfer stations. In addition, the Region assumed contracts for the operation and use of three privately owned landfill sites. Today the Region operates six landfill sites (North Walsingham, South Walsingham, Charlotteville, Delhi, Tom Howe, and Canborough). The eight transfer stations (Houghton, Windham, Walpole, Rainham, Dunn, Sherbrooke and Moulton) are operated by the respective area municipalities. One transfer station, in Waterford, is privately owned.

406. One part of the service that stands out from all the rest is waste disposal. The habits of present-day

society, new materials and the Environmental Protection Standards Act are combining to create situations which increasingly pre-occupy those responsible for disposing of waste. More and more they are becoming hard put to find land suitable for this purpose. Moreover, waste disposal methods demand a considerable outlay in terms of capital and equipment and they can only be run economically on a large scale.

Landfill Sites

407. The operation and management of the landfill sites is subject to certain external contracts undertaken by the Region. Due to limited site capacity, Regional Council engaged consultants and established a waste management steering committee to pursue a long term waste management plan pursuant to the Environmental Assessment Act.

408. Regional Council has recently released the Draft Phase II Discussion Paper identifying both the preferred future landfill sites and a recommended waste management system.

409. The Draft Discussion Paper (Phase II) recommends the retention and extension of two existing sites (Tom Howe and Canborough), the establishment of a new regional facility, and the implementation of a recycling program.

410. In our view, the process undertaken by the Regional Council commends itself as a valid and logical part of the existing regional functions. These are functions of great consequence for the future and

should be exercised at the regional level.

Recycling

411. Increasingly complex, technical problems are involved in the disposal of waste, particularly industrial waste. Regional Council engaged consultants to complete a recycling feasibility study. In compliance with one of the four principal recommendations of the study, Regional Council has recently hired a recycling co-ordinator. Following the basic findings of the feasibility report, the coordinator is expected to present a mechanism to implement a regional recycling program.

Collection

412. As already noted, household garbage collection is a function of the local authorities. However, in all except Simcoe, the work is carried out by outside contractors.

413. The service is charged and provided differently from one area municipality to another. In some cases garbage collection costs are recovered under the general municipal levy and may have little, if any, bearing on actual costs. In other municipalities, garbage collection costs are recovered as a special levy based on the actual cost of the tendered service. This second alternative is required, of necessity, in those municipalities where household collection is not provided for all households within the municipality (i.e. Norfolk, Dunnville). Some municipalities also provide a special service (e.g. bi-weekly summer service in Turkey Point).

Collection of Waste Under a Recycling Programme

414. Given the cooperation of the area municipalities to secure the necessary degree of standardization of collection equipment and techniques, in consultation with the Region, we believe that the continuation of responsibility for waste collection to the area municipalities would work quite satisfactorily.

415. It remains to add that this view may, of necessity, require a review when the recycling coordinator's report has been submitted and adopted.

CHAPTER 17

THE HYDRO ELECTRIC COMMISSIONS

416. The Review Board undertook to examine the Hydro-Electric Commissions in a general manner only. Upon request, the Board met with two commissions, Haldimand and Norfolk, separately.

417. During our enquiry, four matters relevant to the operation of the commissions were drawn to our attention and are discussed in this Chapter.

A Commission or a Committee of Council

418. With royal assent to Bill 89 An Act to Amend the Regional Municipality of Haldimand-Norfolk Act, 1984, six hydro electric commissions were created with responsibilities in certain urban areas within each of their respective municipalities. The water and sewer services formerly provided by the Public Utilities Commissions were given to the Region. The Public Utilities Commissions were renamed Hydro Electric Commissions, and the utilities were restructured.

419. Infrequently it has been suggested that the responsibility for management of the present commissions be transferred to a committee of the local council. No sufficient supporting evidence has been presented to substantiate that position. The Board, therefore, finds no reason to yield to this suggestion for change.

The Election of Commissioners in Nanticoke

420. The commissioners presently serving on the Nanticoke Hydro-Electric Commission are appointed rather than elected. In the other five jurisdictions, the commissioners are all elected representatives.

421. Seeking to make the Commission more accountable to the public, Nanticoke City Council recently petitioned the Minister of Municipal Affairs to amend the Regional Municipality of Haldimand-Norfolk Act to allow for the election of commissioners to the Nanticoke Hydro-Electric Commission. Regional Council supported that request. We add our endorsement.

Recommendation 17.1

422. **We recommend that the council of the area municipality be given the opportunity to amend a by-law that has been passed under S.50 (6.13) of the Regional Municipality of Haldimand-Norfolk Amendment Act, 1984. This particular by-law defines the composition of an area municipality's Hydro-Electric Commission.**

Urban Service Boundaries

423. With the establishment of regional government in 1974, the boundaries for hydro service have been frozen. The respective commissions assumed responsibility for the delivery of hydro services within the urban service area only (Caledonia, Hagersville, Cayuga, Port Rowan, etc.).

424. Ontario Hydro assumed responsibility for the delivery of hydro services beyond the urban service boundaries in all six municipalities. Over time, increased development has spilled over the original boundaries. As a result there are distinct differences in the cost for hydro service, the mechanism to provide and maintain the service delivery system and the accountability of the different operations in the same de facto urban area.

425. The arguments to support the extension of the urban service boundaries have been discussed across Ontario for some time. Thus far, Ontario Hydro has been reluctant to support these initiatives and (we are told) will not do so unless each municipality assumes responsibility for hydro operations in the entire municipality.

426. This impasse should be resolved. Instances of inefficiency in the respective operations have been cited to the Board. All are a direct result of boundaries that are at variance with the realities of increased urban development.

427. By our terms of reference this Board does not have authority to conduct a review of this matter.

428. We suggest, therefore, that the Minister of Municipal Affairs and his colleagues resolve the question whether the present urban boundaries for hydro service should be realigned to include the de facto urban areas.

Meter Reading/Water and Sewer Billings

429. The COMPEC Committee (The Haldimand, Nanticoke, Delhi and Simcoe Hydro-Electric Commissions) and, independently, the Haldimand Hydro-Electric Commission encouraged the Board to recommend that the commissions be retained as agents of the Region. As agents, the commissions would continue to read meters, to bill and to collect for water usage.

430. The present arrangements for billing and collection vary considerably. The Region bills certain areas direct while the hydro commissions, as agents, bill and collect in others. It is evident from these circumstances that a plausible case can be made for standardizing the procedure, with one authority responsible.

431. On the other hand, the Board is concerned with the arguments supporting retention of the present local reading, billing and collection systems. The combined systems for hydro, sewer and water reading, billing and collection probably would create cost benefits. The Board is not disposed to recommending changes to the present reading, billing and collection systems. This question involves many factors related to the implementation of uniform water and sewer rates. As further implementation of those matters proceeds, the Regional Council may, with proper justification, view this matter in a different light.

432. Close attention must also be paid to the convenience of those for whom the services are provided. This

view of course lends support to the retention of the present local reading, billing and collection system. We believe that the availability of a local office for contact with rate payers and for payment of accounts is of considerable importance. We are not disposed at this time to recommend changes to the a current system

CHAPTER 18

REPRESENTATION AND ACCOUNTABILITY

433. Our approach will be to focus on representation and accountability in the context of the present regional government. Later, the same issues will be examined in the context of a possible alternative to the present municipal government.

434. In examining the organizational structure of the present two-tier government, the matters of representation and accountability are discussed under distinct topics (although they are not independent of each other).

The Selection and Size of Local Councils

435. There are diverse methods in the selection of local councillors within the Region. The election of councillors in Dunnville, Nanticoke, Haldimand and Delhi are based on the electoral-ward system; in Simcoe and Norfolk, on the at-large system.

436. The competing views as to the advantages of one system over the other have been so frequently expounded that no useful purpose would be served by reporting them at length. However, certain salient points may be summarized.

437. In support of the electoral-ward system it is said:

(a) that it will ensure that all areas of the municipality will be represented in council;

(b) that the candidates will find it easier and less expensive to campaign in a ward rather than in the entire municipality; and

(c) that councillors who represent a ward are likely to be more knowledgeable about the problems of that ward, and more directly accountable to its residents.

438. In support of the at-large system it is said that parochialism is minimalized because candidates are compelled to take on an entire municipality outlook.

439. The Regional Municipality of Haldimand-Norfolk Act, 1973, contains a provision for changing the selection method (ward or at-large vote), subject to the terms of a municipal by-law and/or a petition by the local electorate to the Ontario Municipal Board.

440. Which system is better? This is the question on which any two persons may differ without being in the wrong. Both systems, supported by weighty title deeds, have worked well within Haldimand-Norfolk.

441. We are not inclined to intrude on local prerogative since the Regional Municipality of Haldimand-Norfolk Act, 1973, allows a constituent municipality to change the current electoral arrangement on application to the Ontario Municipal Board.

Size of the Local Councils

442. The number of councillors vary from municipality to

municipality. Nanticoke, the largest municipality in terms of population (20,100) and second in terms of area (65,318 hectares) has 13 members of council. Next in descending order of population and area is Haldimand (population 17,300: area 62,637 hectares). Haldimand has a council membership of 18 councillors. While Norfolk is the largest in terms of area (68,810 hectares) and has the lowest population (10,700), yet it has the smallest council with only 9 members.

443. There is no simple solution to the question of council size. Generally, the area municipalities in the Region are geographically definite and cohesive. The size of the respective councils has not been the subject of much comment except in respect to Haldimand.

444. In light of the default of the projected population growth, a number of past and present Haldimand councillors (former advocates of the current size of council), now suggest a reduction in the number of members may be appropriate. We respectfully concur.

Recommendation 18.1

445. **According, we respectfully recommend that the Town of Haldimand consider a reduction in council size.**

446. Greater numbers do not necessarily secure more effective local representation. Experience suggests that a councillor's ability to carry out his or her role is not directly related to the number of electors represented. If judgement is to be made on comparison with other constituent municipalities, then Haldimand might seem a strong candidate for a reduction in council size.

447. Haldimand is free to make an application to the Ontario Municipal Board if it desires to change the number of members on council. We put our faith in the common sense of the people of Haldimand and their maturity of judgement.

The Selection and Size of Regional Council

448. According to the Regional Municipality of Haldimand-Norfolk Act, 1973, the regional council shall consist of a regional chairperson, 6 area mayors, and 13 councillors (3 from Nanticoke and 2 each from the other five area municipalities). The additional councillor in Nanticoke has been justified on a broad principle of representation by population.

449. From Table 449, it will be observed that the size of both Haldimand's population and households are approaching those of Nanticoke.

TABLE 449
MEMBERSHIP ON REGIONAL COUNCIL ACCORDING TO NUMBER OF HOUSEHOLDS AND POPULATION

Area Municipality	House-hold 1987	% Ratio	Population 1985	% Ratio	Mayor and Council	% Ratio
Nanticoke	8,302	22.7	20,071	22.7	1 + 3	20
Dunnville	4,838	13.2	11,289	12.8	1 + 2	16
Haldimand	7,071	19.4	17,296	19.6	1 + 2	16
Simcoe	5,551	15.2	14,196	16.7	1 + 2	16
Delhi	6,241	17.1	14,796	16.7	1 + 2	16
Norfolk	4,509	12.3	10,752	12.2	1 + 2	16
TOTAL	**36,512**	**100%**	**88,400**	**100%**	**6 + 13**	**100%**

450. Calls for change were faint. Two brief submissions argued for equal representation. But despite the closeness in terms of size the distinction in population between Haldimand and Nanticoke is sufficient enough to cause the Board to abide with the current scheme of representation.

The Selection of Regional Councillors

451. At this point it might help to examine the role of the area and regional councillor. The councillor's essential responsibility has two main elements: managerial and representative. The former is exercised collectively, the latter on an individual basis. The two however interact.

452. The councillor's duty is to represent a constituency and to be sensitive to its needs. A councillor has a share in determining policy over the whole area while never losing sight of the special needs of his or her constituents.

Constituency

453. In this connection we do well to remember that it is not enough that the upper and lower tiers work well individually: the whole structure must work in a concerted fashion. For that reason it is important that there be some direct links between regional and area councils.

454. The alternatives designed to improve local accountability (which is the essence of local democracy) are as follows:

(a) direct election of regional councillors according to municipality, excluding mayors;

(b) direct election of regional councillors, including the mayors;

(c) indirect election through local council appointment;

(d) joint seat selection;

(e) joint seat election of regional councillors, excluding mayors.

Direct Election of Regional Councillors by Municipality

455. The first alternative precludes area mayors from sitting on regional councils. It also precludes regional councillors from sitting on area councils.

456. The persuasive thought behind this alternative is twofold. First, it would relieve mayors from the onerous task of having to serve on two councils. Secondly, it would give councillors the following advantages:

(a) the potential to achieve an improved region-wide perspective in the decision-making process; and

(b) an opportunity to better manage their workload and time commitments.

457. There is a line of complete cleavage drawn by this alternative between the area and regional council. This division prevents the Board from giving its approval to this alternative.

Direct Election of Regional Councillors (including Mayors)

458. The second alternative would provide for direct election to regional council and only to regional council, subject to one exception: - the mayor would hold office and a seat on the regional council, and would be the vital link between the two levels of local government.

Indirect Election by Local Council Appointment

459. The third alternative proposes that members elected to the area council nominate regional representatives from among their own number. Mayors would be included or excluded at will.

460. Several advantages are cited for the practise of an indirect election. It promotes better liaison between the two levels of local government and it results in a better type of councillor selected for the double duty of local and regional office.

461. Whatever the practical advantages and disadvantages of indirect election, we think they are overshadowed by a fundamental flaw which is that electors are denied the right of determining who should be their regional representatives.

Joint Seat Election

462. The fourth alternative is a reiteration of the current arrangement. Candidates for mayor and regional council would seek election to both. Thus the functions of both offices would be vested in one person.

463. An advantage of this alternative would be to maximize the potential for communication between regional and local councils.

464. An argument against this must be set out. Inevitably

a policy, acceptable to some of the constituent municipalities, will come into collision with a regional initiative. As an example, we cite the issue of local water rates versus regional uniform water rates. It was a situation that confronted the judgement of those who have a voice in both councils. It could have been minimized by forbidding one person the vote of two offices except in the case of the mayor. The mayor would be the link between the two levels of local government.

Joint Seat Selection for Regional Councillors Excluding the Mayors

465. In the fifth alternative, the mayors are also excluded from a seat on regional council. To provide a link between regional and area councils, regional councillors would be elected to sit on both councils. We find it difficult to recommend an alternative that would exclude mayors from the regional council.

466. Of these alternatives (and all of them possess elements of value), we recommend the second: the direct election of regional councillors and the mayors.

467. In addition to the reasons given in paragraph 458, we are attracted to this alternative by other submissions made. Of these, only one will be mentioned. As indicated earlier, one of the duties of regional councillors is to share in determining the entire region's policy while never losing sight of the special needs of his or her own constituency.

468. We believe that the physical separation of the municipalities in Haldimand-Norfolk and the greater press of business hampers the ability of councillors to acquire intelligent familiarity with the whole area of Haldimand-Norfolk, and to know all that has to be done. To be effective at council and committee meetings of both councils is a very arduous task.

469. The time necessary to prepare for, and attend, regional council and committee meetings is considerable. Many people are precluded from standing for election to regional council because of the time required to devote to the onerous responsibilities of two offices. Consequently, regional councillors are largely self-employed, or retired, or people of some means.

470. A viable alternative method is required for the election to office and the overseeing of the operation of local government. No amount of administrative efficiency can make up for the loss of active participation in the business of government by capable, public spirited people in touch with those who elect them. It would be a benefit if more possible candidates were placed in a position to seek a seat at regional council.

471. It is the principle of direct election that can best give regional and area councils standing and accountability. We propose that regional councillors be directly elected to regional council and not hold local office. This proposal has no object except to recognize the major role the regional councillors

play in the delivery of services and to create the best conditions in which they can effectively constitute regional affairs.

472. This method is not ideal in every respect. Acceptance of this proposed alternative would result in the loss of one of the two linkages between the upper and lower-tier governments, the councillors.

473. It is anticipated that the mayor will continue to be the link between the two councils. The appropriateness of the mayor in that capacity resides in the fact that he or she is the chief spokesperson for local council. One would expect that the mayor who has the most influence in initiating and guiding local council policy should be both the buffer and the link when sitting in the regional council.

474. Some regional councillors have indicated that they do not feel bound to put forward the local council view at a regional council meeting. We do not of course say a single word as to that position. However, it would seem to lend considerable strength to the argument that the mayor have full responsibility as link and buffer.

Recommendation 18.2

475. **We recommend that the Regional Municipality of Haldimand-Norfolk Act, 1973 be amended to provide that regional councillors be directly elected only to regional council and that area mayors should continue to be regional councillors.**

Selection of the Regional Chairperson

476. The regional Act permits the regional council to select a chairperson from among its own membership or from outside of council. If the chairperson is a regional councillor, he or she is deemed to have resigned from the position of councillor, and a by-election is required to fill the vacancy. The alternatives for selection of the chairperson are discussed under the following headings:

- Appointment by regional council
- At-large election
- Selection from regional council by regional councillors.

Appointment by Regional Council

477. The principal argument for the appointment of a non-elected individual as chairperson is that it is possible to bring in a person possessed of good intelligence and leadership capabilities. The appointment of the current chairperson, Mr. Keith Richardson, gives weight to that argument.

478. The Board carried out a wide ranging program of visits to all the authorities in the Region. We state, as impartially as we can, that we have been impressed both with the dignity and business-like manner in which the regional chairperson conducted the proceedings. If it is not presumptuous on our

part we would add that he is a man who gives immediate confidence an able and effective regional chairman

479. Whatever may be thought of the practical advantages of the appointment of a non-elected individual as chairperson, they are overshadowed, in our respectful view, by a fundamental principle of representative democracy. A regional authority is a governing body and those constituting it ought to have been elected to govern. "If local government is to form a genuine part of democracy it must have the characteristics of democracy in substance as well as in appearance. The power of decision must rest and be seen to rest with local elected representatives of the people. Each and all who exercise the power to vote in council must be directly accountable to the people". This fundamental principle, which is honoured in most municipal governments, we believe, ought to be part of the electoral system in Haldimand-Norfolk.

At-Large Election of Chairperson

480. This alternative proposes that the candidate for chairperson run at-large across the Region. Admittedly, it would ensure the election of a chairperson accountable to the people. On the other hand some good people might be discouraged for standing for election as chairperson by reason of the cost of a campaign across an area as large as Haldimand-Norfolk. Sometimes more is less.

481. We have had our attention drawn to the experience in the recent election at-large for the office of chairperson in the adjoining Region of Hamilton-Wentworth. It appears that in terms of the number of candidates seeking the office and public participation the result was most conducive to the health of local democratic government. The rub comes in the campaign costs especially to the losers.

482. There is another alternative yet to be noted, and therefore we postpone our recommendation, but only for the moment.

Selection from Regional Council by Regional Councillors

483. This alternative is a variation of the first alternative. The appointment of a regional councillor as chairperson by regional council is an option permitted under current legislation. This option has a democratic characteristic in that the person selected would be an elected member of the regional council. But due to the effect of this selection, the democratic element self destructs. So, once a regional councillor has been selected as chairperson, he or she must resign and a by-election is held to replace the councillor. In the sequel the chairperson would not be an elected representative of the people.

484. The antidote to this disquieting feature can be found in our earlier recommendation that the regional councillors be directly elected to regional council.

If this recommendation is implemented then the chairperson would be chosen from among his or her peers.

485. There remains the important question whether the chairperson so selected should retain his or her seat as a regional councillors and of course the vote on regional council. If democratic principles are to be served, the chairperson so appointed should be entitled to retain his or her office on regional council and also the vote on council.

486. We respectfully hold the view that the office of chairperson should be restricted to directly elected regional councillors. We do not impugn the competence of the mayors. The point is simply that we would not want to overload the already very onerous burden of the mayors.

Recommendation 18.3

487. **We recommend that the Regional Municipality of Haldimand-Norfolk Act, 1973 be amended to provide that the regional chairperson be appointed from among the regional councillors (excluding the Mayors) by the regional council and that the person so appointed be entitled to retain his or her vote on council.**

Incapacity of Councillors

488. The small, but significant, matter of the incapacity of councillors was brought home to us by unfortunate circumstances during the course of the review

process: three area mayors were temporarily incapacitated.

489. The present legislation provides that the council of an area municipality may, by by-law, appoint one of its members as an alternative representative to the Regional Council to act in the place and stead of the Head of Council. But the by-law can only be effective for a period of one month. We note also that the Haldimand-Norfolk Act does not provide for an alternative representative to be appointed to act in the place and stead of a temporarily incapacitated regional councillor.

Recommendation 18.4

490. **We therefore recommend that the Haldimand-Norfolk Act be amended to provide that, in the event that the head of a council of an area municipality or a regional councillor is for any reason unable to fulfil his or her duties as a member of the Regional Council for a period exceeding one month, the Council of the area municipality may, by by-law, appoint one of its members as an alternative representative to the Regional Council during his or her incapacity, but no such by-law shall have effect for a period longer than three months from its effective date.**

Summary

491. Each of the alternatives we have examined has its weaknesses as well as its strengths. We have endeavoured to identify that alternative which offers

the best means of achieving efficient and effective services in a democratic setting.

492. The Town of Haldimand has not grown as expected. Consequently, the council size of 18 members could be reduced. We have recommended accordingly.

493. To ensure that regional and area councils have a large degree of profile and accountability within their electoral jurisdictions, we have recommended that regional councillors be directly elected to regional council only. Region council would be composed of the regional councillors and area mayors.

494. Part of this recommendation also involves selection of the regional chairperson from among the directly elected regional councillors, excluding the area mayors.

CHAPTER 19

PROVINCIAL/MUNICIPAL RELATIONS

495. Our general conception of the proper relationship between provincial and local government may be gleaned from the views that we have already expressed about the interplay of the two governments in the delivery of certain local services.

496. Cutting across the relationship are the constitutional and statutory aspects. The provincial government and the legislature have the right to control the executive actions of local government. But - and this is not merely of some but of great importance - local government has an elective basis and taxing powers and in that sense it commands a status which ought to be accompanied by local accountability. The elective principle and local expenditure accountability are basic to the integrity of democratic local government. But it is a status that now turns on the question of more or less, on matters of degree, on drawing lines. It is enmeshed in larger provincial issues.

497. It is in the practical aspect rather than the constitutional and statutory that we can best see the interconnection between the two levels of government. Woven closely into the relationship is the role of the provincial government in local government expenditure. In recent years, local government expenditures have increased at a remarkable rate, in some service areas more than can be accounted for by the effects of inflation. Various factors have

contributed to both the increase and the tempo of the increase. New responsibilities were occasioned by new programs introduced by the provincial government; higher standards of service are being insisted upon and the demand for existing services has grown.

498. The Board recognizes the responsibility of the provincial government to settle the shape and direction of services of a provincial character such as personal social services, and to require minimum standards where there is a strong provincial interest in the quality of the service and the equality of its delivery.

499. Ideally, a generally local democracy implies that decisions should be taken as locally as reasonably possible. It is not a necessary element of local government that it should itself deliver services, although in practice it normally does so. Nor is it necessary that it should have the sole power of decision over those services, because unfettered powers of decision are rare.

Centralism and Localism

500. The term centralism is used to denote the tendency of the province to exercise a detailed control over the way local authorities perform their statutory duties.

501. We are not justified in making a political judgement between centralism and localism. The fact is, however, that modern economic forces work strongly for centralization. The indications are that there is likely to be a continuation of this trend towards centralization.

502. To an increasing degree local governments are not self-administered units but rather integral parts of the system for using the province's resources most effectively. No local government can be isolated from the financial and economic policies of the province.

503. An argument that, not infrequently, reached the Board in respect to provincial-municipal relations was that the increase in the degree of the province's dominance in local government affairs has tended more and more to reduce the role of local authorities to that of agent for the execution of provincial policies.

504. There are various methods of provincial control over local government responsibilities. In some instances, the province established certain imperatives by way of legislation, regulation, supervision and inspection to enforce conformity with provincial goals and objectives for the specific program or function. In others, the provision of a provincial share of the cost - whether by capital or percentage grant - is itself the sanction for the project going ahead.

505. Examples of control cited to the Board include the enriched Ministry of Environment (MOE) grants for water and sewer but made conditional on the implementation of uniform rates, referred to in Chapter 15, Environmental Protection Act requirements in waste management, the Workplace Hazardous Materials Information System (WHMIS) and the standard's requirements of social services.

506. The rapid expansion of the existing services and creation of new ones has not only been encouraged by the province but has also been substantially financed from provincial grants. All this would seem to stem from a desire by the province to achieve rapid rises in the standard of local government services. The greater the share of responsibility assumed by the province for local services, the weaker the accountability of local authorities to their electorate.

507. The principle of accountability implies that financial responsibility should be directly associated with the responsibility for a decision whether or not expenditure takes place. The province defines essential services and standards, and so the province is to that extent responsible for deciding whether to spend more or less money over the province as a whole.

508. Without taking a political judgement between centralism and localism, we believe argument can be made for the view that substantial further movement towards centralization should proceed cautiously.

509. We also believe that the preservation of a significant area of responsible discretion for local democracy is attainable within reasonable limits.

510. In our opinion, there are few more challenging problems of government management than deciding what functions need to be retained at the provincial level, what service responsibilities should be devolved or "laid-off" on local authorities, and by which means these authorities perform them. From the

local government's viewpoint, we respectfully suggest that the province should pay closer attention to the total financial impact of the devolution of the service delivery responsibilities.

511. The regional form of local government is often pictured as the one best suited to bear the financial burden committed to it in this way. Unfortunately, the picture fades considerably when one looks at Haldimand-Norfolk. The financial realities of the situation in Haldimand-Norfolk are that there is a case to be made for provincial assistance to mitigate the cost of delivering essential services. The actual per capita income in Haldimand-Norfolk in 1986 was almost $3,000 below the provincial level. The estimated projected per capita revenue in 1988 was about $1,700 and $1,400 below the projected per capita income in the regions of Hamilton-Wentworth and Niagara, respectively.

512. We view the relationship between the two levels of government as a partnership. A due appreciation of the lesser partner as an effective and efficient means of local government rather than local administration would go far to preserving its status as a genuine local democracy.

Boundaries and the Local Community Concept

513. In light of the purpose of this review, when considering boundaries, a functional interpretation of the terms of reference is necessary. The exterior boundaries of the regional municipality are untouchable. The boundaries of the area municipalities, as we read the terms of reference,

are subject to recommendation for changes as part of a possible restructuring of the existing regional structure. We will pursue this at a later stage.

514. No strong evidence was put to us suggestive of a change in area municipality boundaries; with one exception, the people in the region generally seemed comfortable with the existing boundaries.

515. The Council of the Town of Simcoe requested, among other matters, that the Board consider a boundary adjustment between the Town of Simcoe and the City of Nanticoke; so that certain lands located in Nanticoke on the east side of Ireland Side Road, be "annexed" to Simcoe. The petition suggests that the community within the area proposed for annexation has a greater interest in the Town of Simcoe than the City of Nanticoke.

516. We cautiously abstain from commenting on this matter. However, our preliminary observations suggest that the petition's request would have to be considered in a more meaningful context than that contemplated in our terms of reference. In this connection we believe that servicing and drainage patterns and community interests should be considered in any future appraisals for altering boundaries. It's hardly necessary to add that, in a matter of this kind the interest of the inhabitants of Simcoe and of Nanticoke would have to be taken into account.

517. The proposed alteration of boundaries is a matter which concerns only two of the six constituent municipalities, namely Nanticoke and Simcoe. Therefore the Town of Simcoe's petition is unrelated

to any possible alternative to the present regional structure. The Board's terms of reference cannot override the rights of procedure given to the inhabitants of Simcoe and of Nanticoke under the Municipal Boundaries Negotiations Act O.S. 1988.

Local Community Concept

518. It was put to the Board by a number of witnesses at the public meeting in Dunnville, Port Dover and Cayuga that the corporate name of their respective area municipalities deprives certain communities of their distinctive identities.

519. Of the six lower-tier constituent municipalities, two are designed as townships, three as town and one as a city.

520. For illustrative purposes we record one argument presented at the Cayuga hearing.

521. It was stated that there are three urban communities within the boundaries of the Town of Haldimand: Caledonia, Cayuga and Hagersville. Many inhabitants of these communities feel that the identity of their home areas are de-personalized and diminished in the outside forum of public perception by reason of their legislated location within the Town of Haldimand. According to these inhabitants, this normally could be overcome by a name change from the Town of Haldimand to the Township of Haldimand.

522. Similar arguments were made at the public hearings in Dunnville and Port Dover. The remedy suggested a change of name status of all constituent

municipalities to one of "Township" except the Town of Simcoe.

523. History teaches that tie between people and their "local community" is the most enduring of mind to place. Maintaining a sense of local community leads people to regard themselves as having a definite stake in the overall welfare of their municipality and region. This promotes effective local democracy.

524. The Board recognize that there are significant implications with proposed name changes for municipal corporations. Nevertheless, we encourage that area councils of Dunnville, Haldimand and Nanticoke to give the matter further consideration.

CHAPTER 20

OTHER MATTERS

TILE DRAINAGE, SHORELINE PROPERTY ASSISTANCE AND ONTARIO HOME RENEWAL LOANS PROGRAM

526. The administration of these three programs is carried out jointly by both the region and the area municipalities. Provincial involvement is dependent on three different provincial ministries: tile drainage is a Ministry of Agriculture and Food program, shoreline property assistance is a Municipal Affairs program and the Ontario Home Renewal Loans (O.H.R.P.) is a Ministry of Housing program.

Tile Drainage and Shoreline Property Assistance

527. In the case of both tile drainage and shoreline loans, the applications are processed by the area municipalities and forwarded to the region. The applications are then consolidated by the region and further processed for the issuance of debentures to the province. Once approved by the province, the loan funds are forwarded to the region that, in turn, distribute the funds to the area municipalities and ultimately the applicant. ultimately the applicant.

528. The region involvement is precipitated by the present legislation that mandates the region to be responsible for the issuance of all debt, including that of the area municipalities. It was put to the Review Board by councillors and other individuals that service could be enhanced if the area municipalities had legislative approval to issue

view. In passing we note that the Ontario Municipal Board is no longer concerned with these debts as representatives of a general municipal charge upon all rateable property. The debentures are recognized now as a lien upon the interest of the owner in the lands for which they are issued.

Recommendation 20.1

528. **For these reasons we recommend that the Regional Municipality of Haldimand-Norfolk Act be amended to:**

(a) provide that an area municipality may pass by-laws authorizing the issuance of debentures in accordance with the provision of the Tile Drainage Act without the assent or concurrence of the Regional Council, and

(b) provide that an area municipality may pass by-laws authorizing the issuance of debentures in accordance with the provisions of the Shoreline Property Assistance Act without the assent or concurrence of the Regional Council.

Ontario Home Renewal Loans

529. The administration of this programme is divided between the region and the area authorities. The region effectively acts as agent for the area municipalities in performing building renovation assessment, the inspection function, and the financial administration aspects for the loans. The applications are approved by the area municipalities. The loans, once processed, are registered as a lien

upon the interest of the owner in the lands in favour of the area municipality.

530. No evidence reached the Board that gave assurance of better service functioning of the programme if it were administered wholly regionally or wholly locally. The present arrangement allows specialization of staff because of the number of applications within the region. The Review Board makes no recommendation in respect to this program; but it is not opposd to the assignment of the administration to the local level.

CHAPTER 21

LOCAL RESOURCE EQUALIZATION GRANT

A Modest Innovation

531. We need to remember that a principal objective of a regional local government structure should be to foster innovation and experimentation. Innovation is part of making local government work better. In that spirit we propose the establishment of a Local Resource Equalization Grant Fund (the Fund), to be financed through a separate regional levy. When this levy has been put in place, it will provide the Fund in the neighbourhood of $600,000 per year.

532. The resources of this Fund would be automatically redistributed to the area municipalities on the basis of their specific "per household assessment deficiency". This does not involve a very sweeping redistribution of resources and will be addressed in more detail later.

General Financial Relations

533. The regional system of local government has its roots in equitable doctrines. The implementation of the section 63 region-wide reassessment program for taxation in 1987 has resulted in uniformity of regional taxes throughout the region and uniformity of school taxes within each school board districts.

534. The decision of Regional Council to fully implement a uniform water and sewer rate by 1991 will equalize sewer and water charges to a common weighted level throughout the Region.

535. The remaining component of the overall tax burden is the area or local purposes tax. The area portion of the average annual residential tax in 1987 in Nanticoke was $158 for a single family home having a 1984 market value of $60,000; in Dunnville $418 (urban) and $368 (rural); in Simcoe $382; in Haldimand $295; in Delhi $223; and in Norfolk $249 (urban) and $180 (rural).

536. Many factors contribute to the differences in the lower-tier tax burdens, such as: differing levels of service, the socio-geographic nature of the municipality, the philosophy of council, and the adopted financial management objectives.

537. But the dominant source of the disparity in lower-tier tax burdens is the disparity in the respective resource bases. One illustration will suffice. As we have seen the municipality with the largest assessment base per capita (Nanticoke), has the lowest area tax ($158), whereas the municipality with the smallest assessment base per capita (Dunnville) has the highest area tax ($418).

Purpose of the Fund

538. Conditions for economic growth are more favourable to some area municipalities in the Region than others. We are persuaded that the disparity in economic development among the area municipalities is due more to economic factors than institutional ones.

539. A region is a human institution, something more than a mere scheme for the administration of services. We

think that it would be a profound error to belittle the need of a sense of unity or community which lies at the heart of effective democracy.

540. It is true that the Region does not obscure the special identities of the area municipalities. In a regional system there will always be present some contention between the action of the whole on a part and the action of a part on the whole. However, it is a maxim of reason that the whole must contain all the parts.

541. The view we obtained during the review process is that there is absent, to a significant degree, that sense of unity which leads the inhabitants of a region to regard themselves as forming a single community.

542. To seek complete equity of lower-tier tax burdens throughout the Region would be both unfair and unrealistic. It would be a search for a "will-of-the wisp" and would do a disservice to the initiatives of an area council expenditure. But from an equity perspective and as a mechanism to build a sense of "regional community", we think it appropriate to recommend the creation of a modest Local Resource Equalization Grant Fund to partially diminish the anomalies in available assessment among the area municipalities.

Measurement of the Fund

543. What should be the formula for determining the amount of the Fund and the basis of collection and distribution? To be meaningful the formula would

have to be set in terms of the objectives to be achieved and the cost of meeting it.

544. We have given attention to this question. However, in the resources and time available we have not been able to satisfy ourselves in respect to a rigid formula to determine the amount of the Fund. But the requirement of a formula, given the modest amount of the Fund, is not so absolute as not to bend before a practical adjustment, fitted and proportioned to the surrounding circumstances and the purpose of the scheme. We believe that a fund in the neighbourhood of $600,000 (5% of the 1987 general levy for regional purposes) has a basis in reality and equity.

The Character of the Scheme

545. Although the Regional Councillors have only an indirect interest in the Fund it is they and not the area councils on whom the responsibility rests for levying, collecting and distributing the resources of the Fund. Further, it is essential to the scheme that the Fund should be entirely separate from the Regional budget.

546. The Region would include as a separate item of special levy an amount beyond its normal net levy requirements. The minimum amount of this special levy would be fixed by statue at 5% of the total net levy for regional purposes in the preceding year to be distributed on a predetermined basis.

547. The distribution to this special levy can be best illustrated by reference to Table 546. Table 546 indicates the total weighted assessment (including

payment in lieu of assessment), the number of households, average weighted assessment per household, the "assessment deficiency" for each area municipality and the total "assessment deficiency" for the region. All amounts are for the year 1987.

TABLE 546

SPECIAL LEVIES FOR THE AREA MUNICIPALITY ACCORDING TO TOTAL WEIGHTED ASSESSMENT, NUMBER OF HOUSEHOLDS AVERAGE WEIGHTED ASSESSMENT PER HOUSEHOLD, AND THE ASSESSMENT DEFICIENCY FOR THE 1987 YEAR

Municipality	Weighted Average Assessment ($000) 1987	Households 1986	Weighted Average Assessment per Households	Assessment Deficiency	% Ratio
Delhi	34,568	6,241	5,539	648	21.5
Dunnville	21,642	4,838	4,473	1,714	56.9
Haldimand	39,157	7,071	5,538	649	21.6
Nanticoke	66,674	8,302	8,031	0	0
Norfolk	29,395	4,509	6,519	0	0
Simcoe	34,477	5,551	6,211	0	0
Total	225,913	36,512	6,187	3,011	100.0

Notes:

1) total weighted assessment includes payment-in-lieu assessment.

2) assessment deficiency is the difference between the area municipality average weighted assessment per household and the total regional average weighted assessment per household.

548. Implicit in Table 546 is the meaning of "assessment deficiency". The local area "assessment deficiency" is the difference between the area average weighted assessment per household and the total region average weighted assessment per household.

549. In 1986 the Region reported a general levy of $12,151,000 excluding charges of $7,190,015 for sewer and water purposes. As mentioned earlier, the minimum levy for the purposes of the fund has been determined at 5% of the preceding year's general levy for regional purposes (i.e. $609,212 to be raised in 1987). As a result of this special charge, a single family dwelling, with an assessment of $4,440, in each municipality would have initially experienced an increase in taxes in 1987 of $11.00.

550. The amount to be paid to each area municipality is determined on the basis of the ratio of the local area "assessment deficiency" to the total assessment deficiency for the region.

Redistribution of the Fund

551. The local resources equalization grants which would be allocated on the basis of the formula set out previously are: to Delhi $131,102; to Haldimand $131,285; and to Dunnville $346,824.

552. Dunnville would receive the greatest benefit with the typical single family home experiencing a decrease in total tax burden of $51 due to a local tax decrease of $62 while Regional tax would increase by $11.

554. Taxes in Delhi and Haldimand are projected to remain virtually unchanged with reductions in local taxes to $14 in Delhi and $13 in Haldimand being offset by the increase in regional taxes of $11.

555. As shown in Table 546, Nanticoke, Norfolk and Simcoe would have no assessment deficiency and hence they would receive no local resources equalization grant in 1987. As a result, the typical single family home in these municipalities would experience an increase in taxes in 1987 of $11.

Method of Change

556. The right of initiating an increase in the annual amount of the special levy for the Fund should rest with the area Councils. It is therefore necessary to provide some machinery for discussion and action in regard to this special levy. It is suggested that the discussion should take the form of an Inter-Area Municipality Committee, consisting of the mayor and two councillors from each constituent municipality who would be nominated for the purpose, and would meet once a year to consider proposals for upward changes in the special levy. If a majority of the Inter-Area Municipal Committee expressed a desire for a change it would be the duty of the chairperson of the Inter-Area Municipality Committee formally to move a specific vote, to the free vote of the Committee, for a change and report the results to each area municipality council.

557. In order that each area municipality should have before it the background for the proposed change, the chief administration officer or treasurer of each of

the area municipalities or their delegates should be entitled to attend the meeting of the Inter-Area Municipality Committee, but not for the purpose of voting.

558. A proposed change would take effect upon approval by at least two-thirds of the area councils. Each area council would indicate its view by means of a resolution.

559. There should be safeguards to ensure that the proceeds of the special levy cannot be withheld or diverted to other purposes. This does not mean that the minimum percentage rate or method of allocation of the resources of the Fund should be fixed for all time by statute. Changes, if approved, can be dealt with by regulation under the statute; but statutory provisions will be needed initially to set up the machinery in connection with the Fund.

560. This scheme, we think, has several arguments in its favour. The redistribution method is, at once simple, automatic and to some extent a test of "needs". The beneficiaries and the benefactors of the Fund will change with changes in the average weighted assessment per household of the respective area municipalities.

Recommendation 21.1

561. **We recommend that the *Regional Municipality of Haldimand-Norfolk Act, 1973* be amended to provide that:**

(1) **the Regional Council shall establish and**

maintain a local resource equalization grant fund and shall levy and contribute to such fund, in each year, the sum equivalent to a sum calculated at 5% of the total net levy, exclusive of the total sewage and water billings, for the Region in the same manner in which the regional levy is distributed in that year among the area municipalities;

(2) none of the costs to the Regional Council in exercising its powers to establish and maintain a local resource equalization grant fund shall form part of the levy;

(3) the monies raised for the local resource equalization grand fund established under the said amendment shall not be expended, pledged or applied to any purpose other than that for which the fund was established.

(4) the accumulated revenue of the local resources equalization grant fund shall be annually re-distributed to each area municipality in the proportion of their specific per household deficiency for the Region.

562. As a people we live by symbols. In a word, the Local Resource Equalization Fund would operate as a *symbol* of a sense of regional community,as well as providing a mechanism for a practical re-distribution of resources.

PART III

CHOOSING A POSSIBLE ALTERNATIVE

CHAPTER 22

CHOOSING A POSSIBLE ALTERNATIVE

562. We now pass to the second of the two major aspects of our terms of reference: devising a possible alternative to the existing local government structure in Haldimand-Norfolk.

563. Functions, areas and authorities are the components that make up a local government structure.

564. We may say that local government exists to exercise functions. In Part II we reviewed the main functions or services of the existing local government structure, and the part played by the area authorities as well as the regional authority in their administration. Where we thought it right we have also recommended changes in the balance between the two levels of government. Our view is that any possible alternative structure should be generally capable of handling the functions and providing the services that are the responsibility of the existing local government. We use the concept "generally capable of handling the functions or providing the services" because we believe that, in given circumstances, the setting up of a joint board or committee consisting of representatives from two or more local authorities may be useful and practical. This is particularly the case where the concern is about the joint provision of a service which each of the constituent authorities is authorized to provide but, for some reason, that service cannot be wholly provided within the area of any one authority.

Attention will be focused again on functions at a later stage of this Report.

566. We examine five possible alternatives which emerged from the submission presented to us and from our research. These possible alternatives are:

(i) **Possible Alternative 1 - Restructured County of Oxford Model**

(a) The effect of setting up an authority based on the present County of Oxford model would be to resurrect the two pre-regional Counties of Haldimand and Norfolk. Each would closely parallel the restructured County of Oxford with respect to the division of upper and lower-tier responsibilities.

(b) The boundary between these resurrected counties would be the former county boundary separating Haldimand and Norfolk, except that the entire community of Townsend would be part of the resurrected County of Haldimand.

(c) The resurrected County of Haldimand would have two lower-tier constituent municipalities: The Town of Dunnville (as it presently exists) and an expanded Town of Haldimand (including that portion of the City of Nanticoke which would lie east of the boundary separating the two resurrected Counties.)

(d) The resurrected County of Norfolk would have four lower-tier municipalities: the existing Town of Simcoe, the Township of Delhi, the Township of Norfolk and a new Township of Nanticoke which would be the remaining western portion of the present City of Nanticoke.

(ii) Possible Alternative 2 - Traditional County Model

(a) This alternative would also involve the resurrection of the two pre-regional Counties of Haldimand and Norfolk with the same geographical boundary as in possible Alternative 1. But the typical upper-tier responsibilities of police, conservation authorities, sewage and water and planning, as in a traditional county, would become lower-tier functions. They would be provided at a slightly lower service level, comparable to the service levels prevalent in such Counties as Bruce, Huron or Lambton.

(b) The lower-tier municipal boundaries would be identical to those described in Alternative 1: The County of Haldimand would have two lower-tier municipalities and the County of Norfolk would have four lower-tier municipalities.

A Brief Preface: The Unitary Principle

566. A discussion of the remaining possible alternatives should be prefaced with a general observation. The rest of the alternatives are fashioned on the unitary principle. In other words, each would be a single level all purpose authority as, for example, the Cities of Brantford, St. Thomas, or the other 21 separated cities and towns within the Province.

567. For the provision of health services and social services, a newly created Haldimand-Norfolk Health Unit and a social services board would operate as joint special purpose bodies as is the practice in other parts of the Province. The reasons for this will be further elaborated.

568. With this preface let us continue to examine the other possible alternatives.

(iii) Possible Alternative 3: Multiple One-Tier Authorities

(a) This alternative assumes the creation of three independent one level municipalities;

(1) an eastern town composed of the present Towns of Dunnville and Haldimand;

(2) a central town composed of the present City of Nanticoke and the Town of Simcoe; and

(3) a western town composed of the present Townships of Delhi and Norfolk.

(iv) Possible Alternative 4 - Two One-Tier Municipalities

(a) This alternative assumes the creation of two independent, one-level municipalities. Each would coincide with the former pre-regional county boundaries of the Counties of Haldimand and Norfolk, subject to a modest adjustment in the historical boundary between these two separate and independent municipalities.

(b) Provisionally we may identify them as the "Districts of Haldimand and Norfolk".

(i) The District of Haldimand would be one municipality comprised of the existing Towns of Dunnville and Haldimand, and the eastern portion of the City of Nanticoke lying east of the boundary line between the two Districts, together with the entire community of Townsend as discussed in the reference to Alternative 1, paragraph 565 (i).

(ii) The District of Norfolk would be one municipality comprised of the existing Town of Simcoe, the Townships of Delhi and Norfolk, and the remaining western portion of the City of Nanticoke.

(v) Possible Alternative 5 - Six One-Tier Municipalities

(a) This alternative assumes that the present six area municipalities would continue to exist with their boundaries unchanged. However, the services now provided by the Regional authority would be totally subsumed by each independent area municipality, (viz. police where regional police exists, arterial roads, sewage and water, waste disposal, planning and so forth), and the two special purpose bodies would provide health services and social services as mentioned in paragraph 567.

CHAPTER 23

BASIC CHARACTERISTICS

569. What are the basic characteristics of an acceptable local government structure and/or authority? Such desirable characteristics can be discussed endlessly, and in stating our views we claim neither infallibility nor originality. We follow the lead of the Wheatley Commission on this aspect. [1]

570. We do not search for perfection. An ideal design for local government may not exist and it may not be possible to devise a local government structure that will fully manifest each desired characteristic. The appropriateness of a structure depends upon the specific situation. In our case the actual situation is the Haldimand-Norfolk review area.

The Structure

571. Functions, jurisdictions and authorities are components of a local government structure. In deciding on a possible alternative from among a variety of possible structures, we must judge where the balance of advantages lies by weighing the objectives we are striving to achieve as well as the factors involved in the attainment of those objectives. In the following paragraphs we have identified these characteristics and factors, although not necessarily in order of importance.

Effectiveness

571. Local government exists to supply services. It should possess the ability to provide services in the most effective and efficient manner possible. It should be responsive to the needs of the local community.

572. In this context services can broadly be divided into two groups: those for the community at large such as water and sewer, fire and waste disposal (community services); and those which are directed at individuals with particular needs within the community, such as health and social services (personal social services). Road expenditure and personal social services now account for the largest proportion of local government gross expenditures in Haldimand-Norfolk.

573. The structure should also enable local government to carry out a wide range of functions. To be precise, it should be able to provide the services that are being provided under the existing structure, but not necessarily by the exercise of its separate autonomous independent powers. Two or three services could be effectively delivered through a joint facility or arrangement.

574. The standard of a service depends on many factors, the most important of which is the amount of money which a local authority chooses to spend on that particular service. It follows that the local government structure ought to be financially viable.

Financial Viability and Efficiency

575. The Society of Town Clerks of Scotland perhaps provide the best definition of financial viability in local government: "the capacity to deploy adequate financial resources to appropriate projects at the right time". To us this definition means that a local government ought to be able to meet, in substantial measure, the cost of its services on the strength of its own resources and the grant arrangement which exists for that type of local government. Conversely, a structure for which it is necessary to devise special grant treatment on a continuing basis, so that in can provide an essential service, is not deemed financially viable.

576. Efficiency in local government occasioned a great deal of talk during the review process. Everyone was in favour of it. Accountability at the polls by the elected to the electors for the amount of money they (the elected) spend, as well as for the way in which they spend it, is one way to ensure that care is taken in the financial management of municipal affairs.

577. But we need to ascertain if the capacity of a local government to give value for money is in any way governed by the size (area and population) of its structure. That some such relationship between size and functional efficiency must exist seemed generally to be regarded as fact. That economies of scale would probably be the resultant benefit from it was also taken for granted. We searched for evidence that would demonstrate that functional efficiency was adequately attainable only by the local government

structure within a certain range of size; but the search was to no avail.

578. What makes the structuring of a local government unit so difficult is that the scale of authority that seems to be functionally desirable for a particular service does not necessarily provide the most efficient service over the whole range of functions.

579. We are far from suggesting that area and population size have no material significance as a factor in influencing functional efficiency. Nor do we think that such considerations are negligible. But, based on the slender evidence before us on the point, they do not appear to be of overriding significance in achieving functional efficiency; in other words, we do not think that in evaluating the advantages of a particular structure we should exclude all other considerations.

580. In selecting the preferred possible alternative structure, we must consider the "likely ability" of the alternative authorities, of various scales, to develop the necessary services effectively and efficiently".

Sense of Community

581. A local government unit exists to provide services. But it is also a geographical unit: it represents people of a particular area. The area ought to be so chosen that the residents have as much as possible in common - a community of interests, affinities and sentiment.

582. The essential task of a local government is the care of the community. "A community is a grouping of population on a geographical basis, large or small, which has social and economic coherence." Traditional ties are important in leading inhabitants to regard themselves as forming a single community. "A structure of local government which embraces a concept of community will likely be vitalized by that sense of belonging which lies at the heart of effective local democracy".

Democratic Viability

583. As indicated earlier, local democracy encompasses more than local administration. It is essential to representative local government that there should be a council of elected members effectively in charge of the local authority and answerable to the inhabitants of the local community.

584. A proper structure of local government must, at least, ensure these four principles. One is that the Council should possess the power of decision and responsibility. The second is that the members of Council must be put in a position to exercise their powers in the interest of, and on behalf of, all inhabitants of the community equally. The third is that the structure must make it possible for the voice of the inhabitants to be heard on the application of policy. The fourth is that the structure must be flexible enough to allow for the administration of many services to be decentralized, as far as is economically practical, to local centres.

585. Once again we quote the Wheatley Commission: "it is when local government operates at the scale which its services demand that true local democracy emerges; because that is the point where power and responsibility can be properly entrusted and where the administration of services can be responsive in the right way, that is through pressures from within rather than from without".

Accommodating the Future

586. Social and economic conditions are not static. All the main functions for which local government is responsible are in the process of further development and change. Change increases the demands on local government. As a wise man once said: "the trouble is not so much that resources are limited; it is the demands of society which are unlimited".

587. All this suggests that an alternative structure should be sufficiently flexible to cope with future change. But it would be unwise to try to frame a structure that would solve all of tomorrow's unseen problems today. What really matters is whether the structure is capable of functioning effectively in the face of reasonably foreseeable changes, in the light of circumstances within and surrounding Haldimand-Norfolk.

588. To cite several more obvious circumstances: the number of persons in the region 65 years of age or over is increasing proportionately as well as absolutely. Political decisions, such as the "capping" of certain grants, must affect the rate at which different services develop. The most obvious

other example is the expected population growth. Even the modest growth in the number of people as predicted in the DPA Group Inc. (medium range) Economic Outlook Report would mean a corresponding growth in some services. So the structure of an alternative authority should be tailored, as far as reasonably possible, to accommodate the foreseeable future as well as the present.

Summary

589. Although we have described various characteristics of an acceptable alternative local government structure, we do not suggest that, given the area and population pattern of Haldimand-Norfolk, it is possible to devise a structure that gives full expression to each of these characteristics. Therefore, it is not surprising that each possible alternative structure has its weaknesses and strengths.

590. The possible alternatives we have described may give scope for fulfillment of one characteristic more than the others. There is no characteristic so absolute, however, that the others may be totally disregarded. None of the five characteristics is independent of any other. They are to be viewed as an organized unit, and particular functions may have to be fitted into the preferred alternative.

591. To the question concerning the order of importance of the various characteristics and factors, we got interesting and varied answers during the review process. Some characteristics give greater scope for subjectivity than others. We think that financial, functional and democratic viability are second to

none in importance among the characteristics that a local government structure should realize. Our task has been to identify the structure which offers the greatest all-round advantages, rather than one in which each characteristics is completely attainable.

CHAPTER 24

A FISCAL QUESTION OF IMPORTANCE

592. Up to this point, we have discussed in general terms the various objectives which a local government structure should satisfy. There remains, however, a further question which must be addressed before one can judge the balance of advantage among the five possible alternatives. The question is this: what would be the financial implications including the overall tax burden changes, if any of the five possible alternative structures had been instituted in 1987? The methods employed to answer this question are as important as the answer itself.

Purpose and Methods

593. The objective of the report entitled, Functional Services Review, Phase 3: Financial Effects of Three Structural Alternatives, and the addendum thereto, was to simulate the financial implications if any one of the five alternatives had been adopted. It may not be amiss to restate the precise question now before us: assuming a static environment, what would have been the expenditure, revenue and tax burden implications if any one of the five possible alternative structures had been instituted in 1987? The year 1987 was selected as the base year because it was the most recent year for which actual costs were available, the first year to which the region-wide assessment applied, and it was an acceptable proxy to predict future financial inter-relationships.

594. This fiscal question is immensely complex. It has many facets, each of them requiring the detailed and individual consideration of a great deal of financial, statistical and administrative information. The difficulties in determining precise tax figures in five hypothetical local government structures are not only very considerable, but in our judgment, they are unconquerable given the wide range of assumptions that have to be made and the resources at our command. Despite the difficulties, the project team has produced a plausible comparison of the direction of change and the relative magnitude of such changes under the five possible alternatives.

595. No Board of Review can make the time stand still. The project study team had to take some notice of the changes that time introduced in the financial position of the existing regional structure. At the outset of the Review no one could have predicted with certainty that unconditional grants would have been "flat-lined" in 1989 at their 1988 level or that the Regional Council, lured by special enriched MOE grants, would implement a programme of uniform water and sewage rates to commence in 1989. Furthermore, it is impossible to predict with any degree of precision what policies a council might adopt if a new municipal jurisdiction were actually created.

596. All this made the task of the project study team more difficult. A healthy, pragmatic instinct would reiterate that one should not become pre-occupied with the absolute tax burden changes but concentrate more on the direction and magnitude of the changes as indicated in the table of comparison which we will presently display.

Assumptions

597. In determining the impact of the tax burden changes in the five hypothetical alternatives the project study team had to make certain assumptions. The definition of an assumption is the expression of a process of reasoning founded on a rational basis. Needless to say, in making the assumptions the project study team was anxious that a fair and reasonable perspective be assigned to the tax burden changes under each of the five alternatives. For example, a claim was made for "theoretically probable" economies of scale under a regionally uniform system of water and sewer rates and responsibility. In projecting the cost of water and sewer rates under *Alternative 4* (Two One-Tier Structures), an allowance was made for some loss of this "theoretically probable" economy of scale. This loss causes an increase in rates of approximately 3.75% in the District of Haldimand and 1.85% in the District of Norfolk. However, it is important that the results contained in the Functional Services Review: Phase 3 report be considered in the context of the assumptions adopted by the project team.

Inherent Assumptions

598. In formulating the table of comparative costs of services in the Region and the alternatives, it was appropriate to emulate the circumstances prevalent in those municipalities to which the alternatives are allied in character or nature. Let us give an illustration of this principle. Police costs in

Alternative 2 (Traditional County Model) were assumed to be at a comparable level to that in other county jurisdictions. This principle has been adhered to throughout the study.

599. In undertaking various intermunicipal cost comparisons, it was noted that in respect to services provided by the Regional Municipality of Haldimand-Norfolk, higher costs tended to prevail in four service areas, namely; police, general government, homes for the aged and, to a marginal degree, planning.

600. A large proportion of the cost of homes for the aged is funded by direct user fees and provincial grants so that the net tax levy for this service amounts to only about 8.5% of the net regional levy for all services. As none of the possible alternatives envisages a significant devolution or transition in responsibility for this service, no expenditure or revenue revisions were made.

601. In the case of police, planning and general government, higher costs tended to prevail in respect to these services provided by the Region. As a result, expenditure and corresponding revenue reductions were made in all the alternative structures, except *Alternative 1*, in order to bring the costs for these services to comparable levels of similar sized municipalities. While one may question the willingness to achieve these cost reductions, considering they will no doubt cause some reduction in service levels, it was felt there was a need to emulate the reality of costs prevalent in other

county jurisdictions or separated municipalities. It should be borne in mind that the standard of service depends on many factors, not the least of which is the amount of money which a community spends on a particular service.

602. For water and sewage operations, it was assumed in each alternative that the present Regional Council policy of providing approximately $1 million annually from operating revenue to offset future capital costs, and thereby minimize the issuance of long-term debt, would continue on an equivalent basis in each of the five alternatives. Two circumstances tended to moderate the projected increases in user rates in the alternative structures: first - the water and sewage systems, for the most part, are separate community systems; second - all the sewage treatment plants and four of the water treatment plants are operated by the Ministry of the Environment. However, an exception to this generalization was noted in *Alternative 2* (Traditional County Model) and in *Alternative 5* (Six One-Tier Municipalities) with respect to the smaller systems which conceivably could suffer some economy of scale losses (i.e. Cayuga, Hagersville, Port Rowan and Courtland could experience annual increases in household charges ranging from $31 to $98).

603. As to solid waste disposal costs, this function has been assigned as an upper-tier or county responsibility in *Alternatives 1 and 2*, and of course to the unitary authorities in *Alternatives 3, 4, and 5*. However, it has been assumed that a joint cost-sharing agreement would be developed so that the

actual costs would continue to be borne on the basis of weighted taxable assessment throughout the regional area. This broad-based approach with respect to this service appears to be the probable future trend across the province. The expense and complexity of the environmental approval process necessitates a joint-sharing arrangement for the provision of this service. In other words, regardless of the configuration of the various alternatives, no increased tax levy impact is assumed to occur as a result of the provision of this service.

604. As to the provision of lower-tier services some, such as fire protection and library services, appeared to be less costly on a per household basis as compared to other comparable Ontario municipalities, whereas other services, such as parks and recreation (i.e. Town of Simcoe), and roadways (i.e. Township of Norfolk), appeared marginally higher. However, on an overall basis there did not appear to be marked differences to warrant the introduction of lower-tier expenditure adjustments. Moreover, the cost reduction for one service could easily be negated by a cost increase in another service to establish uniformity in the service levels throughout each of the newly defined municipalities.

605. In 1987, the Regional Municipality and the six area municipalities received provincial general unconditional grants totalling $4.7 million and a per household police grant of $1.8 million. It should be pointed out that there would be a reduction in the amount of these grant entitlements under any one of the possible alternative structures. Table 605 gives

estimates of the overall reductions that have been projected for each alternative on the basis of the 1987 grant formulae.

TABLE 605

PROJECTED PROVINCIAL UNCONDITIONAL GRANT REDUCTIONS FOR EACH ALTERNATIVE, BASED ON 1987 GRANT FORMULAE

	General Unconditional Grant Reductions	**Police Unconditional Grant Reductions**
	$	**$**
Alternative 1	103,000	225,000
Alternative 2	351,000	225,000
Alternative 3	608,000	1,112,000
Alternative 4	757,000	-
Alternative 5	687,000	225,000

606. The Board recognizes that implementation of any one of the possible alternatives would result in implementation or transitional costs. These costs have not been considered in this analysis on the premise that these one-time costs should not influence the determination of the preferred possible alternative. In the chapters to follow, we shall attempt a further word on this subject.

Overall Tax Burden Responsibility

607. Table 607 compares the overall tax burden responsibility as it existed in 1987 (including annual sewage and water charges where applicable) to projected tax responsibility determined under each of the five possible alternatives. In order to express the tax responsibilities on a common

TABLE 607

1987 ACTUAL TAX BURDEN AND PROJECTED RESPONSIBILITY UNDER EACH OF THE FIVE POSSIBLE OPTIONS FOR URBAN AND RURAL AREAS

Urban and Rural Areas	Existing Regional & Area Mun.	Option 1 County of Oxford		Option 2 Traditional County		Option 3 Multiple One Tier		Option 4 Two One Tier Municipalities		Option 5 Six One Tier Municipalities	
	$	$	%	$	%	$	%	$	%	$	%
NANTICOKE											
Jarvis	1,277	1,317	3.1	1,286	0.7	1,330	4.2	1,319	3.3	1,233	(3.4)
Port Dover	1,385	1,463	5.6	1,439	3.9	1,439	3.9	1,515	9.4	1,350	(2.5)
Townsend	1,322	1,364	3.2	1,337	1.1	1,376	4.1	1,366	3.3	1,281	(3.1)
Waterford	1,287	1,364	6.0	1,334	3.7	1,339	4.0	1,416	10.0	1,245	(3.3)
Rural (Haldimand)	930	957	2.9	920	(1.1)	977	5.1	959	3.1	867	(6.8)
Rural (Norfolk)	996	1,067	7.1	1,022	2.6	1,043	4.7	1,119	12.3	933	(6.3)
DUNNVILLE											
Urban	1,500	1,523	1.5	1,470	(2.0)	1,436	(4.3)	1,281	(14.6)	1,513	0.9
Rural	1,135	1,146	1.0	1,086	(4.3)	1,095	(3.5)	959	(15.5)	1,129	(0.5)
HALDIMAND											
Caledonia	1,458	1,363	(6.5)	1,333	(8.6)	1,501	2.9	1,365	(6.4)	1,453	(0.3)
Hagersville	1,685	1,598	(5.2)	1,572	(6.7)	1,736	3.0	1,600	(5.0)	1,692	0.4
Cayuga	1,625	1,536	(5.5)	1,509	(7.1)	1,674	3.0	1,538	(5.4)	1,629	0.2
Rural	1,067	957	(10.3)	920	(13.8)	1,095	2.6	959	(10.1)	1,040	(2.5)
SIMCOE											
Urban	1,569	1,696	8.1	1,602	2.1	1,398	(10.9)	1,475	(6.0)	1,631	4.0
Rural	1,220	1,340	9.8	1,247	2.2	1,043	(14.5)	1,119	(8.3)	1,276	4.6
DELHI											
Urban	1,391	1,376	(1.1)	1,356	(2.5)	1,436	3.2	1,455	4.6	1,419	2.0
Rural	1,061	1,040	(2.0)	1,001	(5.7)	1,020	(3.9)	1,119	5.5	1,064	0.3
NORFOLK											
Port Rowan	1,557	1,498	(3.8)	1,593	2.3	1,627	4.5	1,598	2.6	1,602	2.9
Courtland	1,263	1,231	(2.5)	1,241	(1.7)	1,293	2.4	1,315	4.1	1,250	(1.0)
Rural	1,018	966	(5.1)	956	(6.1)	1,020	0.2	1,119	9.9	965	(5.2)

Note: Figures include annual sewage and water charges where applicable to express the tax responsibilities on a common standard, residential mill rates have been applied to a local taxable assessment of $4,440 (which is equivalent to a residential property having a 1984 market value of $60,000). Sewer and water charges have been calculated on the basis of annual water consumption of 48,000 gallons. It has been assumed that the per household school board tax responsibilities of $565 for those within the Haldimand Board and $631 for those within the Norfolk Board will remain unchanged in each of the five options. The school board taxes have each been included so that the implications of each option can be considered from an overall property tax perspective.

608. The differences between the tax burden responsibilities in the urban areas versus the rural areas are generally attributed to the fact that sewage or water charges do not apply in the rural areas.

609. However, there are also minor differences in a few instances because of the practice of imposing garbage collection charges only in specific urban areas.

610. Table 607 speaks for itself and we would not want it to go unnoticed. A word of caution must, nevertheless be highlighted. As we have previously seen the web of circumstances surrounding the preparation of the table necessitated a number of assumptions which made the search for precision of tax burden responsibility somewhat elusive.

Nevertheless, it enables one to make a useful comparison of the 1987 actual tax burdens and the projected responsibilities under each of the five possible alternatives in the context of the direction of changes and the relative magnitude of such changes.

611. Taxation is never palatable. It has always been the most sensitive nerve of the public body. To balance budgets, to pay for the cost of progressively higher social standards, to safeguard the future and to divide these burdens with substantial fairness between the different interests and areas within a local government, strains to the utmost the ingenuity of those who bear the burdens of public office.

612. In examining the tax burden changes under each of the alternatives outlined in Table 607, it can be observed that the tax impact falls generally within a range of plus or minus 6%. In the world of local taxation 6%, including water and sewage charges, is not altogether a quiet figure.

613. For the most part, these tax burden changes are apparent in the boundary adjustments contemplated for by the various alternative structures.

614. Table 614 indicates that some of the alternative structures would allow more extensive pooling of the industrial assessment now afforded to the City of Nanticoke as a result of the Lake Erie Industrial Park. We recognize that a substantial degree of cost-sharing already occurs for educational and

regional purposes. There is, of course, no pooling of industrial assessment at the lower-tier level. The study of possible alternative structures is related to much wider considerations than a question of smoothing out any claim for financial disparity occurring in the lower-tier level because of assessment base anomalies. But, even if it were thought desirable to eliminate lower level disparities in commercial/industrial assessment resources, we are of the view that it could be achieved through actions less drastic than the introduction of structural changes.

TABLE 614

A REVIEW OF THE CIRCUMSTANCES WHERE THE OVERALL IMPACT OF TAX CHANGES ARE MORE SIGNIFICANT

Alternative	Area	Tax Burden Increase (or Decrease)	Main Contributing Factors
1 1	Simcoe (Urban) Simcoe (Urban)	127 120	-Reallocation of police costs and industrial development costs
1 1	Caledonia Haldimand (Rural)	(95) (110)	-Inclusion of Lake Erie Industrial Park Assessment.
2	Haldimand (all areas)	(113) to (147)	-Inclusion of Lake Erie Industrial Park Assessment.
3 3	Simcoe (Urban) Simcoe (Rural)	(171) (177)	-Inclusion of Lake Erie Industrial Park Assessment.
4 4 4	Port Dover Waterford Nanticoke (Rural Norfolk Portion)	130 129 123	-Exclusion of Lake Erie Industrial Park Assess and projected higher spending levels in Simcoe.
4 4	Dunnville (Urban) Dunnville (Rural)	(219) (176)	-Inclusion of Lake Erie Industrial Park and projected lower spending levels in Haldimand and Nanticoke areas.
4 4	Caledonia Haldimand (Rural)	(93) (108)	-Inclusion of Lake Erie Industrial Park Assessment.
4 4	Simcoe (Urban) Simcoe (Rural)	(94) (101)	-Projected lower spending levels in Delhi, Norfolk and Nanticoke areas.

Weighing the Possible Alternatives from a Financial Perspective

615. Our reluctance to advocate structural changes for the sole purpose of redistributing assessment wealth is no reason to forego ranking each of the possible alternatives from the standpoint of improving equity and fiscal capacity among the municipalities. *Alternative 2* (Traditional County) is, for the most part, a subset of *Alternative 1* (County of Oxford Model). *Alternative 2* would require substantial expenditure reduction which may be difficult to achieve ($3.6 million in gross expenditures) without significant service level reductions. Therefore, we propose that *Alternative 2* be considered synonymous with *Alternative 1* in the ranking order of the possible alternatives.

616. The following analysis compares each alternative against a particular financial criteria and ranks each alternative as to its ability to satisfy that criteria. While the criteria are generally presented in order of importance, we regard the first two as paramount from a financial perspective.

(a) The Municipal Tax Burden Dispersion for Urban Ratepayers

This criteria measures the extent of variation between the highest municipal tax burden for all urban ratepayers, excluding the levies for school purposes and the charges for sewage and water purposes, and the lowest municipal tax burden among the urban ratepayers. The objective is to compress the range of municipal tax levies among the twelve urban areas.

TABLE 616.a

COMPARISON OF MUNICIPAL TAX BURDEN FOR URBAN RATEPAYERS FOR EACH OPTION

TAX LEVY	Alt. 4 Two One-Tier	Alt. 3 Three One-Tier	1987 Existing Actual	Alt. 1 Oxford Model	Alt.5 Six One-Tier
Highest Levy	488	549	625	709	645
Lowest Levy	394	412	365	388	302
Difference	94	137	260	321	343

(b) Municipal Tax Burden Dispersion for Rural Ratepayers

In order to discount variations attributed to higher service levels for urban ratepayers in the previous paragraph, this criteria measures the dispersion upon the rural ratepayers who tend to receive similar services throughout the six municipalities. Again, the objective is to detect which alternative succeeds in compressing the range of tax burden impacts (excluding levies for education purposes and charges for sewage and water purposes).

TABLE 616.b

COMPARISON OF MUNICIPAL TAX BURDEN FOR RURAL RATEPAYERS FOR EACH OPTION

TAX LEVY	Alt. 4 Two One-Tier	Alt. 3 Three One-Tier	1987 Existing Actual	Alt. 5 Six One-Tier	Alt. 1 Oxford Model
Highest Levy	488	530	589	645	709
Lowest Levy	394	389	365	302	335
Difference	94	141	224	343	374

(c) Impact of Pooling Commercial/Industrial Assessment

Traditionally, each municipality strives to improve its commercial/industrial base because, normally, the cost of municipal services for these ratepayers is substantially lower than the revenue potential attainable. The excess revenue thus received can be used to alleviate, in part, the tax burden responsibility that would otherwise fall upon residential and farm taxpayers. On the evidence presented to the Board, we concluded that in Haldimand-Norfolk an upper-tier level of government or two large one-tier municipal unit would have a better potential to capture increased commercial/industrial assessment than the municipality-by-municipality competition which would exist if smaller units were advocated.

More Criteria of Municipal Fiscal Capacity

617. Another measure of the comparative fiscal capacity of the five alternatives, albeit of lesser significance than those in paragraphs 616.a and 616.b, is to be found in the answer to this question: what is the necessary tax effort upon a typical residential dwelling assessed at $4,440, in order to yield an overall tax revenue benefit of $200 for each household within each of the respective six area municipalities in the Region under the five hypothetical alternatives?

618. The level of $200 in tax revenue per household was selected only for convenience to illustrate the residential tax effort in relative terms. On an aggregate basis, the 1987 regional tax levy represented 46% of municipal requirements (excluding charges for sewage and water purposes) whereas local needs (lower-tier) represented 54%. Table 618, Column 1, entitled "1987 Existing/ Actual", indicates the approximate per household tax effort necessary to provide aggregate tax revenues equivalent to $200 per household ($92 per household or 46% for regional purposes and $108 per household or 54% for lower-tier purposes within each of the area municipalities).

619. In *Alternative 4* (Two One-Tiers) where no upper-tier exists, the calculations project the per household residential tax effort required to raise aggregate tax revenues of $200 within each jurisdiction. One should recall that under *Alternative 4* (Two One-Tiers), Dunnville, Haldimand and East Nanticoke were

provisionally designated for convenience as the"District of Haldimand"; and Simcoe, Norfolk, Delhi and West Nanticoke as the "District of Norfolk". The sweep of this analysis is presented in the following table.

TABLE 618

PER HOUSEHOLD TAX REQUIRED FOR AGGREGATE TAXES OF $200 PER HOUSEHOLD

	1987 Existing Actual	**Alt. 1 Oxford Model**	**Alt. 3 Three One-Tier**	**Alt. 4 Two One-Tier**	**Alt. 5 Six One-Tier**
East Nanticoke	112	104	109	115	99
Dunnville	152	152	151	115	173
Haldimand	133	104	151	115	139
West Nanticoke	112	148	109	135	99
Simcoe	127	130	109	135	128
Delhi	133	137	129	135	138
Norfolk	122	124	129	135	119

620. The results are approximations and the table has been simplified to illustrate relative variances.

Flexibility to Accommodate Uniform Water and Sewer Rates

621. Since there is a combination of high and low rates in both the former Haldimand and Norfolk County areas (i.e. Dunnville and Jarvis at $322 and $360 respectively, and Waterford, Delhi and Simcoe at $297

and $336 and $356 respectively), there is some flexibility to accommodate uniform water and sewer rates under *Alternatives 1 and 4.*

622. The flexibility for these purposes is more restricted under *Alternative 3*, and almost non-existent under *Alternative 5* (Six One-Tiers). The Board wishes to make it plain that it expresses no positive or negative view about uniform or non-uniform rates. That question is a matter for political judgement. We make our observations only for the sake of informed public debate when the Report comes under public scrutiny.

Ability to Achieve Economies of Scale

623. The general proposition that "bigger is better" sometimes has at least a core of truth. But such a generalization can be fallacious unless one has in mind the particulars which it embraces. The Board found no statistical proof about the best size of an authority to meet the demands of economies of scale.

624. This does not lessen the value of oral and published opinions relating to size of structure and its performance expressed by those who have had experience in assessing the quality of local government operations. In terms of economies of scale, size of population and area should be taken into account in establishing a structural parameter. Ultimately, it is a matter of analyzing the social geography of Haldimand-Norfolk in relation to both the functional requirements of the services that

local government should be able to provide, as well as to the organizational requirements necessary to provide democratic representation.

Maximization of Provincial Unconditional Grants

625. Since the Ministry of Municipal Affairs is currently re-evaluating the entire unconditional grants program to introduce a new basis of entitlement for 1990 and future years, this criterion as a bona fide measure is questionable. Nonetheless we would prioritize each of the alternatives on the basis of the projected absolute entitlements (for more information regarding anticipated reductions see paragraphs 605 and 606). From the standpoint of maximizing unconditional grants it appears that the alternatives should be ranked as follows:

Alternative 1 (Restructured County of Oxford)
Alternative 4 (Two One-Tiers)
Alternative 5 (Six One-Tiers), and
Alternative 3 (Three One-Tiers).

We here conclude the summary of what in our judgement, is the appropriate criteria for the measurement of the comparative fiscal capabilities of the five alternatives.

CHAPTER 25

ALTERNATIVES: THE PRESCRIBED METHOD OF COMPARISON

626. We are now at the point where we can begin to evaluate the five possible alternatives according to our criteria. We have developed a set of standards which an acceptable local government structure should meet; they include, financial and administrative viability, effectiveness, efficiency, as well as local accountability and representation. Furthermore, the geographic area must be functionally viable and correspond to a recognizable community in order to engender in the inhabitants a sense of belonging. Finally, it must have the ability to cope with the reasonably foreseeable future. The above criteria will now be applied to the alternative structures.

627. Of course there is an element of subjectivity in weighing the criteria. During the review process, representations to the Board about the value of the various components of the criteria were as varied as the individuals presenting them. We reiterate our view that financial, functional and democratic viability and coherence of community are qualities of prime importance.

628. Since it would take too long to describe the details of each of the five alternatives individually, we have made no attempt to do so. However as each was developed it was also evaluated.

Preliminary Observations

629. Before proceeding to compare the alternatives there is need to clear the ground of brushwood that may obscure the real matter at hand.

630. We promptly dismissed a suggestion of a return to the former two county structure comprised of 28 lower-tier municipalities and two upper-tier municipalities. To our mind it represented a retreat into the past. Our concern is with the future.

631. We treated *Alternative 1* (the Oxford County model) and *Alternative 2* (Traditional County) as one alternative. There are, of course, distinctions between them. When analyzed, not a few of the differences are ones of degree rather than of kind.

The Norfolk and Simcoe Resolutions

632. In April 1989, a new circumstance was introduced into the review process. In that month, the municipal councils of Norfolk and Simcoe forwarded resolutions to the Board in support of *Alternative 5* (Six One-Tier Structures).

633. The Simcoe resolution, dated the 10th of April, 1989, cited the following reasons:

1) "It is believed that the Town of Simcoe will progress better as an individual community under this structure [Six One-Tiers].

2) This system would be more equitable and fair.

3) This autonomous political structure would be more responsive to the needs of the community.

4) Council would be more accountable to its own electorate under this system."

634. The Norfolk resolution of the April 17, 1989, contained an accompanying brief which addressed itself to the problem of how the present regional services should be allocated under the separate and independent *Alternative 5* (Township of Norfolk). We hope that the Norfolk Council will not think the Board discourteous if we do not reproduce the brief.

635. The brief proceeds on the assumption that the grants and/or subsidy levels will not be less than that which exists for the functions/services at present carried out by the Region and the Township. For the major services (health, homes for the aged, police, among others,) the brief recommends: either that the province take over the administration and funding or that the administrative responsibilities for these services be delegated to joint boards comprised of representatives of the Township of Norfolk and other *Alternative 5* municipalities. The net expenditures would be shared among these municipalities on the basis of current taxable asessment.

636. In connection with these resolutions two names should be mentioned: Mr. Clarence Abbott and Mr. James

Earl, the Mayors respectively for Norfolk and Simcoe. Each publicly argued before the Board, briefly but very capably, the case for *Alternative 5.* Each manifested a passionate attachment to their respective communities.

637. We have respectfully considered the two resolutions in question, we hope, with all the care that they rightly deserve. However, we feel constrained to say, reluctant as we are to differ from any opinion of the councils of Norfolk and Simcoe, that we cannot wholly share their views in this matter. This conclusion must not be misunderstood. It implies no disrespect whatever of either Council whose records have indeed been fine ones both in the financial management and the provision of the services for which they are responsible.

638. We must add this. We are well aware that the objections can and will be taken to the proposals which we will bring forward in the pages to follow. Unfortunately, there is no single or final answer to all the questions related to municipal government and therein, is some of the justification for divided option on these matters. Furthermore, our concern is for the cumulative effect of an alternative structure on each of the area municipalities within the Region.

The Preferred Alternative

639. The duty to make a choice from among the alternatives existing, we cannot escape it. We think it proper to make plain forthwith our choice of the preferred alternative while postponing for the moment the reasons which have led us to the choice. In our opinion the balance of advantage lies with *Alternative 4* (Two One-Tier Structures). It follows that we have ruled out *Alternatives 1, 2, 3 and 5,* but only after we had compared them, side by side to *Alternative 4.*

640. At the risk of repetition, let us re-state the areas which would be grouped together to form the two one-tier structures. The present area municipalities of Dunnville and Haldimand and the eastern part of Nanticoke would be amalgamated to form a single one-tier authority previously identified as the District of Haldimand. Similarly the area municipalities of Delhi, Norfolk, Simcoe and the western part of Nanticoke would be merged to form a single one-tier authority provisionally identified as the District of Norfolk.

641. The said resolutions of the Norfolk and Simcoe Councils impose a further duty on the Board to indicate, however briefly, the basis of its choice of *Alternative 4* (Two One-Tier Structures) to *Alternative 5* (Six Separate Municipalities).

642. The reasoning of the Board as to choice is twofold. It examined the alternatives from; (a) a financial perspective, and (b) a non-financial perspective.

643. An illustration of this is furnished by the impact of *Alternative 5* on Norfolk and Simcoe as shown in Table 607 in Chapter 24. A comparison of the projected tax burden responsibility for Norfolk under *Alternative 5*, with the 1987 actual tax burden as shown in Table 607, reveals that there would be an increase in Port Rowan of 2.9% and decreases of 1.0% in Courtland and 5.2% in rural Norfolk.

644. If similarly compared, the projected tax burden changes under *Alternative 5* for Simcoe show an increase of 4.0% for urban taxpayers and 4.6% for rural taxpayers.

645. It is also worthy of note that the projected tax responsibilities under *Alternative 5*, as shown in Table 607 (Chapter 24), were determined on the basis of the 1987 individual water and sanitary sewer systems rates.

646. Table 646 shows the 1987 actual tax burden upon all residential dwellings assessed at $4,440 throughout the region.

647. One can observe in Table 646 that the actual regional tax burden upon all residential dwellings assessed at $4,440 was $207 throughout the region in 1987.

648. The actual 1987 lower-tier taxes ranged from a low of $158 in Delhi, to a high of $382 in Simcoe or $418 in Dunnville. These variances are the direct consequences of: 1) the differences in equalized assessment per household, and 2) the spending levels in the respective area municipalities. In fairness, it should be noted that higher spending in the urban areas provides higher service levels which indirectly provide ancillary benefits to the rural areas, such as mutual aid fire agreements and inter-library arrangements, among others.

649. The 1987 equalized assessment per household figures are also instructive. In Nanticoke it was $105,123; in Dunnville $62,408; and in Norfolk $92,660. Dunnville has the highest lower-tier taxes and the lowest equalized assessment per household. This combination should not be surprising. In the tapestry of taxation the assessment base is the fundamental fabric.

650. The question which now arises is: What would be the tax burden implications if the provision and cost of the regional services were physically allocated to the six individual municipalities under *Alternative 5* or to the two one-tier municipalities under *Alternative 4*? Table 650 provides the answer.

TABLE 646

1987 ACTUAL TAX UPON A RESIDENTIAL DWELLING

JURISDICTION	Area Tax	Regional Tax	Education Tax	Property Tax	Water and Sewage Charges	Total Burden
Nanticoke						
Jarvis	158	207	565	930	347	1,277
Port Dover	158	207	631	389	389	1,385
Townsend	158	207	565	930	392	1,322
Waterford	158	207	631	996	291	1,287
Rural (Haldimand)	158	207	565	930	---	930
Rural (Norfolk)	158	207	631	996	---	996
Dunnville						
Urban	418	207	565	1,190	310	1,500
Rural	363	207	565	1,135	---	1,135
Haldimand						
Caledonia	295	207	565	1,067	391	1,458
Hagesville	295	207	565	1,067	618	1,685
Cayuga	295	207	565	1,067	558	1,625
Rural	295	207	565	1,067	---	1,067
Simcoe						
Urban	382	207	631	1,220	349	1,569
Rural	382	207	631	1,061	--	1,220
Delhi						
Urban	223	207	631	1,061	330	1,391
Rural	223	207	631	1,061	---	1,061
Norfolk						
Port Rowan	249	207	631	1,087	470	1,557
Courtland	233	207	631	1,071	192	1,263
Rural	180	207	631	1,018	---	1,018

TABLE 650

COMPARISON OF THE TAX BURDEN EFFECT OF ALLOCATING THE REGIONAL ELEMENT OF SERVICES TO ALTERNATIVES 4 AND 5

JURISDICTION	Existing Regional Arrangement	Alternative 4 (Two One-Tiers)	Difference	Alternative 5 (Six One-Tiers)	Difference
Jarvis	207	197	(10)	144	(63)
Port Dover	207	214	7	144	(63)
Townsend	207	197	(10)	144	(63)
Waterford	207	214	7	144	(63)
Rural[1] (Haldimand)	207	197	(10)	144	(63)
Rural (Norfolk)	207	214	7	144	(63)
Dunnville	207	197	(10)	201	(6)
Rural[2] (Haldimand)	207	197	(10)	201	(6)
Caledonia	207	197	(10)	180	(27)
Hagersville	207	197	(10)	180	(27)
Cayuga	207	197	(10)	180	(27)
Rural (Hagersville)	207	197	(10)	180	(27)
Simcoe	207	214	7	263	56
Rural (Norfolk)	207	214	7	263	56
Delhi	207	214	7	210	3
Rural (Norfolk)	207	214	7	210	3
Port Rowan	207	214	7	154	(53)
Courtland	207	214	7	154	(53)
Rural (Norfolk)	207	214	7	154	(53)

Notes:

1) Rural Haldimand formerly east Nanticoke.

2) Rural Haldimand formerly west Nanticoke.

Alternative 4 vs Alternative 5

651. The statistics in Table 612 (Chapter 24) are based on the Functional Services Review: Phase 3 report but projecting police as an upper-tier service for cost comparisons. From this table it is apparent that the impact on taxation of redistributing regional services is modest under *Alternative 4* whereas under *Alternative 5*, it creates wider differences than now exist among the respective municipalities.

652. To sum up the tax burden impact of redistributing regional services under *Alternative 5*: the current imbalance in tax responsibility for local municipal services would remain unchanged. The added consequences would be that overall property taxes in Nanticoke (already the lowest in the Region) would become lower; and that the high level of taxation in Dunnville (already the highest in the Region) would modestly decrease.

653. Table 650 demonstrates that among the alternatives the two one-tier structures *(Alternative 4)* has the potential to produce the most equitable result in sharing the tax burden.

654. In Table 607 (Chapter 24) we have already set out a tabular breakdown of the hypothetical fiscal imlications which could be associated with the various alternatives. From Table 607 it is apparent that the difference between the projected tax burden responsibility under *Alternative 4* (Two One-Tier Structures) and *Alternative 5* (Six Independent One-Tier

Municipalities) is rather marginal; but, in our analysis, *Alternative 4* would produce a slightly more equitable result with respect to the tax burden in the constituent municipalities.

Other Considerations in Judging the Balance of Advantage

655. Fiscal factors are not the only ones to be considered in weighing the advantages of, and objections to, the various alternatives.

656. We are not blind to certain advantages inherent in *Alternative 5* (Six One-Tier Structures). Some examples may be ventured:

1) Potentially, the major service functions provided by the region would be brought closer to the people.

2) It would allow more discretion in developing standard service levels.

3) It would best give effect to the principles of accessibility and accountability to the taxpayer.

4) It would ensure that municipal identities which have evolved since 1974 would be preserved.

5) It should minimize the need to establish urban service areas; and

6) Its implementation would be less disruptive than *Alternative 4.*

Structural Change and The Idea of Progress

657. In implementing structural change the Legislature is helping to shape the future, and by shaping the future it unavoidably shapes the present. The move from the two counties to the regional concept of Haldimand-Norfolk proved that principle.

658. Social and economic changes are not likely to stop. Predicting progress is a risky enterprise. In advocating structural change one becomes involved in the essential duty of making an honest and intelligent forecast and yet, one must be ever-mindful of the limited range of one's foresight. Thus, structural change incorporates the idea of progress.

659. We do not intend to belittle the advantages of *Alternative 5.* However we are of the opinion that in the reasonably foreseeable future, larger, (and hence fewer) individual structures would provide a better potential for the progress of the Region, for the sharing of resources and for the provision of services. We believe that *Alternative 4* would fill the breech.

Advantages of Alternative 4

660. Our main non-fiscal reasons for preferring *Alternative 4 to Alternative 5*, compendiously stated, are these:

1) Since *Alternative 4* (Two One-Tier Structures) would retain, almost unchanged, the former county boundaries and the county community concept, it loses little if anything, in the comparison with *Alternative 5* on that score.

2) The continued delegation or "off loading" of provincial responsibilities to the municipal sector creates a significant burden for the latter. The larger organizational units under *Alternative 4* have the vitality and flexibility to more readily absorb the burden.

3) Under *Alternative 5* the cost of long-term financing is likely to escalate if it is exercised independently by all six municipalities.

4) Under *Alternative 5* joint intermunicipal boards would likely be necessary for homes for the aged services and economic development. Such arrangements would further frustrate accountability.

5) Under *Alternative 5* intermunicipal agreements would expand to include hospital capital construction, day care programs, waste disposal operations and other matters.

6) The ability to capture increased commercial/ industrial assessment is critical to the future well being of the local municipalities. The reasoning presented in the report entitled, Functions & Services Review - Phase 3, leads us to the conclusion that *Alternative 4* would be better placed from point of size and space to foster industrial development than *Alternative 5.*

7) Public expectations as to standards of service are rising. Higher standards of service mean more, and better, trained staff and an increase of skilled staff. Provision of local government services, as well as the requisite equipment and premises, is becoming more sophisticated and expensive. These considerations point towards a scale of operations that necessitiates municipal units larger than the six one-tier municipalities in *Alternative 5.*

8) To accommodate costly infrastructure problems, municipalities with larger tax bases have a greater potential to spread risks and withstand unforeseen financial commitments.

9) The ability to introduce uniform sewage and water rates would be almost non-existent under six one-tier municipalities (*Alternative 5*). The result would be the continuation of extremely high user rates in Hagersville, Cayuga and Port Rowan. The impact of the recently approved capital works would substantially increase the system rates for Jarvis, Caledonia and Port Dover customers. The two-one-tier government structures proposed in *Alternative 4* could accommodate a system of uniform water and sewage rates.

10) The provision of municipal policing by five or six of the one-tier municipalities (*Alternative 5*) would create inefficiencies and undermine the general effectiveness of police operations.

11) In our opinion, economic planning and transportation policies need to be framed in a wider economic perspective than the jurisdiction of six individual municipalities *(Alternative 5)*.

12) Agriculture will continue to be in the forefront of economic life in Haldimand-Norfolk. In our view, local government's responsibility to make development decisions affecting the interests of agriculture would be fragmented and unsatisfactory in a system of six separate, independent municipalities.

13) Admittedly, *Alternative 5* would preserve the "local community". However our concept of a community is broader than the six independent municipalities and falls within the wider sphere of the "district" of Haldimand on the one hand and of the "district" of Norfolk on the other. This concept includes the traditional economic and social linkage which are important to the structure of the local government. This broad concept of community is compatible with the two one-tier government structure of *Alternative 4*, and will be discussed at a later stage.

Conclusion

661. These are the considerations that moved us to select *Alternative 4* as the preferred alternative. We do not represent it as an unblemished structure, and we develop it further in the next part of the report. At the same time we reiterate our sincere respect for the opposing views embodied in the Norfolk and Simcoe resolutions.

CHAPTER 26

THE REGIONAL MUNICIPALITY: A FINANCIAL PERSPECTIVE

662. "The logic of time and experience is the surest standard by which to fix the tendency of government". Regional government in Haldimand-Norfolk is no longer a neophyte structure. It is now fifteen years old. In Parts I and II of this report we have presented broad and various views of the Region. The time has now come to take a close-up view of its financial features.

Resource Base

663. Because of the higher assessment base provided by commercial and industrial properties, the higher mill rate imposed on commercial and industrial properties (17.8% higher than residential and farm properties) and the generally lower demand upon municipal services by these ratepayers, all municipalities endeavour to improve their commercial/industrial assessment base. In the cases of the City of Nanticoke (42.1% commercial/industrial) and the Town of Simcoe (37.9% commercial/industrial), we suggest that a rather beneficial assessment mix exists.

664. The average for the province as a whole is 35% commercial/industrial and for all regions the figure is 30%. However, among the four remaining area municipalities within the Region, the

commercial/industrial ratio ranges from a high of 21.4% in Dunnville to a low of 11.3% in Norfolk, so that the overall commercial/industrial base attributable to the Region becomes 26.5%. (See Appendix 2, 2.1).

Growth in Taxable Assessment

665. An analysis of the "real" growth in taxable assessment for the Region during the six year period, 1981 to 1987, indicated an increase of 9.0% or approximately 1.5% annually. Real growth measures the increase in property assessment values due to physical improvements and more intensive use of properties, less reductions due to demolition, business vacancies, and lower productivity levels in the case of agricultural lands.

666. Relative to the surrounding areas (the Regions of Niagara and Hamilton-Wentworth and the Counties of Brant, Oxford and Elgin), this improvement was generally comparable. It is midway between Oxford at 6.8% and Hamilton-Wentworth at 11.8%. However, this improvement in overall taxing capacity was substantially less than the 17.2% increase province-wide or the 25.4% escalation for all regional areas. If the modest growth in the assessment base persists, the municipalities within the Region will have to do "more with less" in order to meet new and changing demands for municipal services with the same or slightly higher tax revenues.

Equalized Assessment Per Household

667. Equalized assessment per household, or "discounted" equalized assessment, which attempts to illustrate the relative market value wealth within each municipality on a per household basis, has become suspect in its ability to portray assessment base wealth between distant municipalities.

668. To illustrate: market values of residential properties within Metropolitan Toronto area have more than doubled during the past five years (1983 to 1988). But one would be hard-pressed indeed to argue that this dramatic escalation justifies an assumption that a higher proportion of a homeowner's consumption income should be devoted to meeting property tax requirements. In spite of its limitations as a resource base indicator between widely dispersed geographical areas, it does have some relevancy when drawing comparisons between municipalities in the same region or with the assessment base in surrounding municipalities. From the standpoint of equalized assessment per household, Haldimand-Norfolk appears to have a marginally stronger assessment base than its surrounding municipalities except for the County of Oxford. (See Appendix 2, Table 2.2).

Farm Tax Reduction Program

669. In 1988 the Farm Tax Reduction Program provided tax relief assistance of approximately $10 million in respect to 6,739 farm properties within the Region of Haldimand-Norfolk. The tax relief assistance is

provided in this way: the assessment of a farm residence and its land is distinguished from the assessment pertaining to productive land and farm buildings so that the farmer has no property tax cost in respect to the latter.

670. In our view it is just and equitable tax relief assistance to alleviate the farmer's responsibility to pay education and municipal taxes on agricultural lands. We mention it only to note the magnitude of this revenue source. Because of the preponderance of farming within Haldimand-Norfolk, the farm tax reduction payments offset 15.3% of municipal and eduction taxes, totalling $65.7 million in 1988.

Financial Responsibility of Policing

671. Of the 10 regional municipalities established since 1969, only the Regions of Haldimand-Norfolk and Ottawa-Carleton have deferred the assumption of complete financial responsibility for municipal policing throughout the regional areas. At the moment, the Haldimand-Norfolk Regional Police Force has jurisdiction in seven urban communities (comprising 39% of the population of the Region) and the Ontario Provincial Police have jurisdiction in the remaining rural areas (comprising 61% of the population of the Region).

672. It is difficult to project, with precision, by how much the gross Regional police budget would have increased in 1987 if the Regional Police Force had complete responsibility for municipal policing throughout the regional area. References to

municipal police costs within other municipalities having a high proportion of rural areas suggest the additional cost would probably have involved an additional $3.8 million (approximately $70 per capita).

673. If the Regional Police Force had expanded services throughout the regional area at a gross additional cost of $3.8 million (net about $3.4 million after revenue offsets) in 1987, the impact upon a residential dwelling assessed at $4,440 (1984 market value $60,000) in 1987 would have involved municipal property tax increase of $59 to each household.

Capital Projects For Sewage and Water Projects

674. In 1987, 4 major sewage systems (Caledonia, Jarvis, Hagersville and Port Dover) and 2 major water systems (Cayuga and Port Rowan) were designated by the Ministry of the Environment for enriched capital grants at 75% of eligible costs. The 1989 capital budget of the Regional Municipality projects total funding of $39.5 million for the six capital projects with total Provincial assistance of $27,710,000 (75% of the eligible costs of $37,351,000).

675. It is expected that the Regional Municipality will be debenturing approximately $22,285,000, with respect to these six projects. In addition, the 1989 to 1993 five year capital budget projects additional capital expenditure of $18.7 million for sewage and water improvements with the more significant expenditures occurring in Delhi, Dunnville, Port Dover and Simcoe. In relation to capital projects for sewage and water,

there is the question of their impact on water rates. We shall leave this question for discussion later.

Property Tax Responsibilities

676. The average property tax per household in Haldimand-Norfolk in 1987 was $1,198 (including sewage and water charges). Of this total, 40% went to school boards, 17% for general regional purposes, 14% for lower tier purposes and 29% for sewage and water purposes. For inter-municipal comparisons, we must include the impact of sewage and water charges.

677. The average 1987 property taxes per household for each of the six area municipalities within the Region range from $1,351 in Simcoe to $1,084 in Nanticoke. On average, comparing the aggregate property tax responsibilities in Haldimand-Norfolk to the surrounding regions or regions in general, Haldimand-Norfolk would appear to be somewhat lower ($100 to $300). However, in comparison to the surrounding counties in general, Haldimand-Norfolk would appear to be higher ($40 to $140). In comparison to the province-wide level of taxation per household of $1,378, Haldimand-Norfolk on average would appear to be $180 lower. (Refer to Appendix 2, Table 2.3).

678. Due to the complexity of property taxation and the ambiguities inherent in calculations predicated solely on absolute averages, we resorted to a comparison of municipalities with similar physical and financial characteristics to those in Haldimand-Norfolk. From this we were able to conclude the following:

a) The level of taxation in the Town of Simcoe, in 1986, was 14% above the average level of taxation in the Towns of Grimsby, Tillsonburg, Orangeville, Cobourg, Lindsay, Wallaceburg and Paris. The excess was primarily due to higher charges for sewage, water and schools;

b) The level of taxation in the remaining five constituent municipalities in Haldimand-Norfolk, in 1986, was 22% above the average of the level of taxation in the Townships of West Lincoln, Flamborough, West Carleton, Rideau, Scugog, Brook and Town of Georgina. This excess again was primarily due to higher charges for sewage, water and schools.

679. In summary, the overall tax burden in Haldimand-Norfolk may be equivalent to its surrounding municipalities but slightly above that in municipalities with similar physical and financial characteristics. To achieve this near equality, the controllable municipal expenditures appear to have been constrained to accommodate the higher sewage, water and school charges.

680. All this is to the credit of the various councils. But lurking on the side there is, from the Board of Review's perspective, an uncomfortable circumstance. Our uneasiness is not that the overall charges themselves are inordinate, but that the recent escalation in property taxation of 34.6% (1982 -87) substantially surpassed the growth in per household incomes of 20.8% (1982-87). This is compounded by

the fact that, historically, income levels within the Region have been substantially below the provincial average (84.5% in 1982 and 79.6% in 1987). (See Appendix 2, Table 2.4).

681. We must touch on the impact of household income growth lagging behind the escalation in property taxation. On a Regional average basis, in 1982 2.9% of household income was necessary to generally satisfy property tax requirements. Whereas, in 1987, the commitment of per household income amounted to 3.3%. We sense that the continued slow growth of development coupled with possible grant reductions and/or more devolution of provincial responsibilities, could require a re-appraisal of future priorities both regionally and locally.

682. Next, we take note of the distribution of property tax responsibilities over the eight year period from 1980 to 1987, as shown in Appendix 2, Table 2.5. The Region has taken a slightly higher proportion of the total taxes paid by Haldimand-Norfolk residents. The lower-tier municipalities, with the exception of Dunnville and Simcoe, continues to take a smaller proportion of the total taxes levied over the same period. School boards have also assumed a greater proportion of the total tax levy, except in Dunnville and Simcoe.

Operating Expenditures

683. In 1987, the total current expenditures for the Regional Municipality of Haldimand-Norfolk and the six lower-tier municipalities, (but excluding school

boards) was almost $71.7 million. (See Appendix 2, Table 2.6). On a per household basis this represented $1,971 per household. The annual expenditure growth rate per household over the tax year period from 1977 to 1987 was 12.8%. When taking inflation into account, which is expressed by the Ontario cost price index as 106.5%, the annual expenditure growth rate fell by 1.3% during the period 1977 to 1987. Provincially mandated requirements and expansion of programs have contributed to the cost increase.

684. The level of municipal expenditures per household in the Region of Haldimand-Norfolk is significantly below the averages in the Regions of Hamilton-Wentworth and Niagara, the average for all regions ($2,730 in 1987), and moderately below that of the surrounding counties.

TABLE 684

MUNICIPAL EXPENDITURES PER HOUSEHOLD IN THE REGION OF HALDIMAND-NORFOLK AND THE SURROUNDING REGIONS AND COUNTIES IN 1987

Jurisdiction	1987 Per Household Expenditures
County of Oxford	$ 2,143
County of Elgin	$ 2,158
County of Brant	$ 2,478
Region of Niagara	$ 2,421
Region of Hamilton-Wentworth	$ 2,843
Region of Haldimand-Norfolk	$ 1,971

685. The lower per household costs in Haldimand-Norfolk are attributable, in no small measure, to: the less urbanized aspect of the Region as compared to the other regions and surrounding counties; differences in service levels; and the fact that the Regional Police Force does not provide full coverage throughout the Region. It is apparent from a consideration of Appendix 2, Table 2.6, that in 1987 regional operations were $42.6 million or about 59% of the total upper and lower-tier expenditures combined. This proportion has increased over the period from 1977 when the Regional Municipality accounted for 55% of the total municipal operating expenditures. The real growth in operating expenditures during the past 10 years has almost been exclusively at the regional level.

686. A partial explanation for the increase in municipal expenditures in Haldimand-Norfolk results from a policy decision to fund a greater proportion of capital expenditures from current expenditures. The policy inclined towards a *"pay as you go"* method of financing. This increased emphasis on funding capital requirements from current revenues no doubt accounts, in part, for the low per household debt level in the Region.

687. As may be seen in Appendix 2, Table 2.7, the larger cost increases at the Regional level occurred in the areas of general government, waste disposal, public health, general welfare assistance, homes for the aged, and children's aid services. There is no reason to anticipate that the peculiarly pressing

problems encountered by local government, when trying to satisfy public needs and expectations in the social and health service fields, will diminish.

A Return to Police Costs

688. Not for the last time, we take another hurried look at police costs. The ten year growth in police costs at 148% (1977 to 1987) is slightly above the overall average growth in municipal expenditures of 140%. It should also be noted that regional police costs, relative to the population served, were substantially higher than the per capita costs for the surrounding forces and other regions ($161 versus a range of $70 to $125). These figures should be considered in the context of the freezing of unconditional grants in 1989. When the freeze will be lifted is not for us to speculate. It could be that with the freezing of the unconditional police grant the net impact of regional police services may become more pronounced.

Provincial Assistance

689. In 1987 provincial grants, both conditional and unconditional, represented 33% of overall current and capital funds received by the Regional Municipality and six area municipalities. However, the significance of provincial assistance as a proportion of overall municipal revenues has been gradually declining during the past ten years. In 1977, provincial assistance within Haldimand-Norfolk represented a contribution of 36.6% of overall revenues, and grant amounts in 1982 represented a contribution of 35.7%.

690. The general reduction in provincial funding as a proportion of municipal expenditures has been, for the most part, compensated by higher property taxes and higher sewage and water use charges. The 1977 property taxes and sewage and water charges represented 36.9% of overall municipal revenues, whereas in 1987 property taxes and sewage and water charges accounted for 41.4%.

691. In comparison with the surrounding municipalities (excluding the County of Elgin) the Region of Haldimand-Norfolk's grant entitlement base represented a greater proportion of its revenue entitlement (see Table 691). This has been somewhat influenced by maximum unconditional per household grants and lower spending levels within Haldimand-Norfolk. But a glance at Table 691 will show that provincial grant entitlements on a per household basis for the Region of Haldimand-Norfolk have been below those received by the surrounding areas.

TABLE 691

A COMPARISON OF GRANT ENTITLEMENTS IN HALDIMAND-NORFOLK AND SURROUNDING REGIONS AND COUNTIES

GRANTS AND ENTITLEMENTS		REGION OF HALDIMAND - NORFOLK	REGION OF NIAGARA	REGION OF HAMILTON-WENTWORTH	COUNTY OF BRANT	COUNTY OF OXFORD	COUNTY OF ELGIN
Provincial Grants as % of Operating Fund Revenues	1977	35.2	32.8	27.8	32.9	34.1	37.8
	1985	34.7	30.6	28.0	34.0	29.1	35.4
	1987	30.5	27.4	25.7	29.8	26.2	32.5
Provincial Grants as % of Overall Operating and Capital Fund Revenues	1977	36.6	31.4	26.6	32.8	37.6	38.6
	1985	36.1	30.2	28.4	33.1	31.0	38.8
	1987	33.0	27.4	26.4	32.5	31.8	38.0
Provincial Grants on a Per Household Basis	1977	412	449	437	488	495	459
	1985	756	747	848	880	771	862
	1987	782	783	839	927	871	975

692. There are reasons of provincial policy as to why the per household entitlements for the Region of Haldimand-Norfolk have been below those received by the surrounding areas. The Region's per household discounted equalized assessment ($61,300 in 1988) was slightly above the provincial deficiency standard ($59,000 in 1988) with the consequence that the equalization component of grant entitlements under the Resource Equalization Program has been modest. Other grant entitlements on a per household basis are related to municipal expenditures. If expenditures are restrained, conditional grants and levy-based unconditional grants will be similarly restricted. Our explanation should not be read as advocacy for increased municipal expenditure in order to increase grant entitlements.

Long-Term Debt

693. To the extent that long-term borrowing costs comprise a substantial proportion of total operating expenditure of a municipality, it is an uneconomic drain upon its resources. The Ontario Municipal Board's guideline is that debt charges should not exceed 20% of revenue fund expenditures.

TABLE 694

LONG-TERM DEBT PER HOUSEHOLD DEBT CHARGES AS A PERCENTAGE OF REVENUE FUND EXPENDITURES

Year	Outstanding Long-Term Debt ($000)	Long-Term Debt Per Household ($)	Debt Charges As % of Revenue Fund Expenditures (%)
1980	20,738	588	5.6
1983	22,962	641	6.3
1985	19,441	540	7.1
1987	18,360	503	5.8

694. From Table 694, it can be clearly seen that the Haldimand-Norfolk debt charge percentage commitment is well below the guideline.

695. The figures in Table 695 indicate the 1987 average debt responsibility for the municipalities surrounding the Region, the average for all ten regions and the average position in respect to all municipalities within the Province. Here again it is apparent that the long-term debt commitments within the Region of Haldimand-Norfolk in 1987 were somewhat lower in all instances.

TABLE 695

1987 AVERAGE DEBT RESPONSIBILITY FOR THE MUNICIPALITIES SURROUNDING THE MUNICIPALITY OF HALDIMAND-NORFOLK

Jurisdiction	Dec. 31, 1987 Long-Term Debt Per Household	1987 Debt Charges As % of Revenue Fund Expenditures
	($)	(%)
County of Brant	830	5.8
County of Elgin	622	7.9
County of Oxford	1,038	9.3
Region of Niagara	1,042	8.7
Region of Hamilton-Wentworth	798	6.1
Average for all Regions	879	6.8
Province-Wide Average	779	6.4
Region of Haldimand-Norfolk	503	5.8

696. The preceding tables place the Region in a rather favourable position from the standpoint of its fiscal capacity to incur further long-term debt.

Annual Surplus-Deficit

697. Our limited survey indicates that the mechanics of the regional and local authorities' budget control seem to be generally satisfactory. Table 697 shows the relationship between the surplus/deficit amounts and the net levy amounts. Only one small matter arises for comment from Table 697. Given the regularity and size of the surpluses, there may be

potential for reduction of the amounts of the surpluses. We are bound to say however, that at both the upper and lower tiers Haldimand-Norfolk appears to be well managed from this perspective.

Special Concessions

698. In 1985 the Ministry of the Environment indicated that it would assume responsibility for $29.1 million in outstanding capital obligations related to the Regional Central Services System. This system supplies water for the industrial complex at Nanticoke, and the communities of Jarvis, Hagersville, and Townsend. In addition, in 1987 the Ministry of the Environment approved six major sewage and water projects with enriched funding at an average of 56% of the eligible capital cost and later further escalated this assistance to an average of 75% of eligible capital costs. The full amount of this recent concession to the Region in the form of enriched grants is $20.8 million.

TABLE 697

ANNUAL SURPLUS (DEFICIT) AS A PERCENTAGE OF NET LEVY IN HALDIMAND-NORFOLK (1984 - 1988)

	TOTAL AREA MUNICIPALITIES			REGIONAL MUNICIPALITY			TOTAL ALL MUNICIPALITIES		
YEAR	Surplus/ (Deficit)	Net Levy	% of Net Levy	Surplus/ (Deficit)	Net Levy	% of Net Levy	Surplus/ (Deficit)	Net Levy	% of Net Levy
1984	810	12,448	6.5	715	10,418	6.9	1,525	22,866	6.7
1985	711	13,263	5.4	551	10,878	5.1	1,262	24,141	5.2
1986	828	14,131	5.9	415	11,582	3.6	1,243	25,713	4.8
1987	1,101	15,419	7.1	727	11,988	6.1	1,828	27,407	6.7
1988	881	16,572	5.3	989	12,851	7.7	1,870	29,423	6.4

Notes:

1) All amounts are rounded to the nearest $1,000.

2) Regional Municipality amounts exclude water and sewer operations.

Police

699. Here again, we encounter the special assistance provided for police services. Suffice to say that this special assistance comes in two forms:

1) cost free OPP services which otherwise might conceivably represent an estimated contractual obligation of $3.8 million annually; and

2) a unique police grant arrangement which represents an additional grant slightly in excess of $1 million annually.

700. We do not intend to suggest that the Region be deprived of this special assistance. The disparity in resources and level of incomes between the Region of Haldimand-Norfolk and the remaining regions make it necessary to devise special arrangements for Haldimand-Norfolk.

CHAPTER 27

THE TWO ONE-TIER STRUCTURES

A Closer View

701. Up to this point we have had only a keyhole view of the two one-tier structures. It would be improper to make dogmatic pronouncements as to the fine details of structures whose future depends on the view from authoritative quarters. At the same time, an assessment cannot be prudently made without visualizing the general nature of the two unitary authorities. We propose, therefore, to present a plan which is sufficiently definite to be the subject of discussion, elaboration and amendments.

Boundaries

702. The possible boundaries of the two one-tier structures, we have based on the boundaries of the former Counties of Haldimand and Norfolk. It is convenient (if only provisionally and for the moment) to refer to the two one-tier structures as the "Districts" of Haldimand and Norfolk. As mentioned earlier the District of Norfolk represents the existing Townships of Norfolk and Delhi, the Town of Simcoe and the western portion of the City of Nanticoke, that is, the portion within the former county of Norfolk. The District of Haldimand represents the existing Towns of Haldimand and Dunnville plus the eastern portion of the City of Nanticoke, that is, the portion within the former County of Haldimand.

703. The District of Haldimand as described earlier embraces the Lake Erie Industrial Park and the urban area of Townsend. At this point we sound a note of caution. If the two one-tier structures were to be created, then, each of the two districts would have a real political existence of its own. Given the value of the Lake Erie Industrial Park as an assessment base, it is important that the adjustment of the district boundary should take place before any new process has gone too far. Once the mould has set, any re-adjustment would be difficult to make.

704. The drawing of boundary lines is, proverbially, an operation which may bring down anything but blessings on the head of the drawer. It can be prudently undertaken only after taking full account of the interests and prejudices concerned. There are difficulties in the way of adjusting the former County boundary (now the proposed district boundary) between Haldimand and Norfolk. In the meantime we shall proceed on the basis that the boundary between the two districts will be what it was between the two former counties.

705. If the "Districts of Haldimand and Norfolk" are created on the basis of their predecessor counties their area and population would be as shown in Table 705.

TABLE 705

DISTRIBUTION FOR THE TWO ONE-TIER DISTRICTS BY AREA, POPULATION AND HOUSEHOLDS ACCORDING TO DISTRICT

DISTRICT	**Hectares**	**Population**	**Households**
District of Haldimand	118,253	34,300	14,230
District of Norfolk	164,472	54,450	22,282
Total	282,725	88,750	36,512

706. The scale of things is important to be borne in mind when considering a unitary structure. We believe that each district makes a social and economic whole, consistent with the way of life of a mobile society, and provides each authority with the area it needs for effective planning and economic development. It is well to remember that vehicular mobility and modern telecommunication capabilities, in effect, reduce the size of any municipality.

707. Questions about constitutional structure would arise on a transition from regional government to a two one-tier structure. First, there would have to be a decision upon the numbers and constitution of the two councils, one for each of the districts. In the second place, there would have to be conclusion upon the powers and duties of the councils so constituted.

708. There must be sufficient precision in our outline for the essential constitutional structures to be

defined; but this is perfectly possible without going into a great deal of detail. The Board of Review cannot undertake to elaborate a "constitution" for two unitary authorities in Haldimand-Norfolk because that task, if it should become necessary, would fall to the Legislature and only then, we suppose, after further enquiry into local conditions and opinions.

The Composition of the District Councils

709. The principles of representation and accountability enunciated in Part II of this report is the peg on which we hang our views on this subject. We cannot be expected, here and now, to indicate for both districts the precise figures the membership ought to be. If the two one-tier all-purpose authority commends itself to those who have ultimately to decide, the exact total in both districts would be arrived at in working out a method of representation by population. But the flexible figures we have in mind ought to be indicated.

710. We suggest a membership of nineteen (19) council members for the District of Haldimand and of twenty-three (23) for the District of Norfolk. We think that there is a good case for electoral divisions (or wards) based on the present lower tier boundaries (except where divided by the district boundary). Table 710 shows the calculation of the possible distributions.

TABLE 710

POSSIBLE ARRANGEMENT OF ELECTORAL DIVISIONS AND REPRESENTATION

District of Haldimand - 19 members

Electoral Division	Population	Members
Dunnville	11,300	6
Haldimand	17,300	10
East Nanticoke	5,610	3
		19

District of Norfolk - 23 members

Electoral Division	Population	Members
Delhi	14,800	6
Norfolk	10,760	5
West Nanticoke	14,460	6
Simcoe	14,200	6
		23

711. The respective chairpersons could either be elected at large, or the council could select one of their members. The chairperson selected from the council membership could retain his or her seat on council. We suggest that the latter would be preferable. There should be no nomination or co-option of non-elected persons to local authorities. To sustain the principle of co-opting would cut deep into the very being of local government democracy.

712. We believe that the direct election of councillors to a one-tier structure based on electoral divisions or ward system will simplify both representation and accountability. Admittedly, accessibility will be more limited by the reduction of the number of councillors (from approximately 78 to 42), but

accountability will be improved with an all-purpose one-tier structure. Moreover, we believe that the work of individual councillors would gain both in value and in interest.

A Means to an End

713. Local government is not primarily an end in itself but a means to an end. The end is the performance of such functions for the general good as local government, are by statute required or empowered to perform. We envision that the two one-tier authorities will generally provide the same broad range of services as are at present provided by the regional system. The majority of services will be provided independently by each of the two districts. However, several (health and social services and waste management) may be provided in a different format for reasons we shall presently state.

714. Earlier we had set out our views of what the functions themselves demand in terms of area and population size. But the importance of the matter makes it desirable to look upon them again, however briefly. We attempt no catalogue of all the functions.

715. We have found no formula to establish in advance a particular size for a particular service. One must take into account the varying force of circumstances. Subject to several exceptions, yet to be noted, we believe that the demographic and geographic features of Haldimand-Norfolk suggest that the two one-tier structures could efficiently and independently carry

a full range of services, including: water and sewer, economic development, roads, planning, homes for the aged, family and children's services, as well as building and plumbing inspections, among others.

716. Before proceeding to the exceptions we feel we should say a sentence or two concerning several of the main functions/services which could be provided independently by the two districts.

717. Planning and economic development are not functions to be tied to specific population size. They are governed more by the pattern of population and area. Both districts are predominantly rural but have the characteristics that planning and economic development should have.

718. Police is not a function of local government in the same way as the others. We accept the need to have large areas for police purposes. In our opinion, both of the districts are of a size to form the basis of an effective operational command. Subject to the result of a financial review to be undertaken by the Ministry of the Solicitor General, as recommended in Part II of this report, we visualize that Simcoe (the major urban centre) would establish a municipal police force and that the remaining areas of the two districts would initiate contracts for OPP service or district police service. Of course, there could be a different arrangement for policing.

719. We foresee no changes for education, the Hydro-Electric Power Commissions (other than the potential to consolidate), or the Conservation Authority

(except changes as determined by their respective drainage sheds).

Exceptional Services

720. We accept without reservation the proposition that health and social services require a large population and area to be most efficiently discharged. They make heavy demands in terms of staffing and expenditure. Interestingly, the character of these services are at present changing. Both are even now undergoing amendment of governing legislation or regulation.

721. We contemplate the establishment of, either an inter-municipal committee consisting of elected representatives of the two districts, or an independent joint board to provide both health and social services for the two districts. We envision the continuation of the present sub-offices and the store front locations for health services.

722. As mentioned earlier the Region of Haldimand-Norfolk is actively pursuing environmental approaches for a consolidated waste management program. Authorities responsible for these services need to be administered on a large scale. We would anticipate that a joint commission would be established to provide these services within the two districts.

Depots and Sub-Offices

723. In the event of implementation of two one-tier structures, the implementation committee and the

district councils must give consideration to such matters as the need for depots and sub-offices and the need for urban service rates in selected areas, among others. Generally, people must know what an authority is doing, how its plans will affect them and the places where they live. We foresee the possible establishment of sub-offices readily accessible to residents where they could take questions and complaints about local government services and get answers. The sub-office should also be a place where residents could pay their municipal accounts.

Grants and Other Costs

724. At this juncture one is tempted to ask this question: was the "freezing" or "flat lining" of unconditional grants in 1989 an ominous sign of a changing grants policy? Or do we mistake a ripple for wave? We are not saying for a moment that action of that sort will be taken. We know nothing about it. The future however, is of special moment when considering a possible alternative structure of local government.

725. The freezing of unconditional grants in 1989 makes it plain that perpetual grant increases to offset the effects of inflation are not a self-contained fiscal mechanism. While the Ministry of Municipal Affairs is designing a new program for unconditional grants we have assumed that the two one-tier unitary authorities, if implemented, would be afforded the same unconditional grant entitlements as the Restructured County of Oxford.

726. Similarly, we have assumed that the two one-tier authorities would receive the same grant entitlements as are provided to the existing authorities of Haldimand-Norfolk. To illustrate we have assumed that two levels of road subsidy entitlements would be provided on a basis comparable to the regional and local road subsidy entitlements provided the existing municipalities in Haldimand-Norfolk.

727. Other details of the two one-tier structures may be filled in by more skilful hands in various ways. In this connection we mention again the pending study in the Ministry of the Solicitor General as recommended by the Board of Review. Of course, this is a reserved subject under the power of superintendence and control of the Police Commission of Ontario. However, we have suggested a possible policing arrangement for the purpose of discussing the financial implications of two one-tier policing costs.

728. The ascertainment of reasonably precise police costs for two one-tier structures is difficult. The difficulty is that we have been unable to obtain an authoritative calculus of OPP costs incurred for municipal policing in the Haldimand-Norfolk area. If we understand the situation correctly, OPP service arrangements are, at present, under review within the Ministry.

729. For want of an authoritative calculation and for illustrative purposes only, we adopted a comparative cost approach. For the purpose of projecting the cost impact of establishing a municipal police force

to serve the Town of Simcoe an analysis was made of six municipalities with municipal police forces, all of which are broadly comparable to Simcoe in area and population. The average police cost for the six is $105 per capita.

730. In like manner we made municipal comparisons in respect to specific OPP cost recovery contracts and comparisons to existing municipal services in other county areas. However, it was more difficult to find municipalities in this category comparable to Haldimand-Norfolk in area and population. On the basis of this analysis it appears that the cost of the full cost recovery OPP contracts for the portions of the two one-tier structures outside the Town of Simcoe should be in the neighbourhood of $80 per capita. To be consistent with the Phase 3 study these projected police costs are in 1987 dollars.

731. It is worthwhile to point out the cost of police services in Haldimand-Norfolk. In 1987, the Regional police costs were $5,792,544, and the value of the cost free OPP services appear to be about $3,800,000, the aggregate total being approximately $9,592,000.

732. Assuming, for the sake of discussion, a municipal police force to service only the Town of Simcoe at a cost of $105 per capita and police responsibility performed by the OPP in the remaining portions of the two one-tier structures on a cost recovery basis of $80 per capita, the total gross estimated expenditure for police services within the two one-tier structures would be $7.4 million.

733. Two things must be made plain. First, the estimated gross expenditure of $7.4 million represents an increase in responsibility upon taxpayers of $1.6 million. The explanation for this increase is that the earlier tables of comparative overall tax burden under the Region and the two one-tier structures were formulated on the same standards in respect to policing costs: the same police grants, the same arrangement for OPP services, the same expenditures and the same standards of services. Under the scenario of OPP services for the two one-tier structures we have projected the costs of full recovery OPP service contracts and thus increased the tax responsibility in the amount of $1.6 million.

734. This increase adds $0.9 million tax responsibility to the "District of Norfolk" and $0.7 million tax responsibility to the "District of Haldimand". From the standpoint of the impact upon an average residential dwelling (relative to the tax burden impacts projected under the Phase 3 Report) the tax increases would be $28 in the "District of Norfolk" and $29 in the "District of Haldimand".

735. In considering the tax increase referred to above it should be borne in mind that it arises out of a police services arrangement for the two one-tier structures that anticipates an approximate reduction of $2.2 million in police costs (Regional Force and OPP). However, it would undoubtedly involve some reduction to the current level of police services.

736. The Board is not representative of anything except of the views it sponsors. We are wholly without

authority to speak for anyone except ourselves. Historically the Region has enjoyed the special sympathy of the Province in respect to police costs. Assuming, for the sake of discussion, a structural change and a cost saving to the Province in the neighbourhood of $2 million, it was hard to think of the Province not concerning itself with mitigation of this tax increase.

The Character of a Unitary Authority

737. Like other local government structures the unitary authority is not without its drawbacks. Ideally it requires an area that satisfactorily meets the needs of two levels of service. It has to achieve the right condition for efficient "developmental" planning and the administration of the major services on the one hand, and on the other hand, it has to be sufficiently coherent for the kind of "local touch which the local services require".

Something More Than Statistics

738. It is helpful to see a different perspective of Haldimand-Norfolk. Financial and statistical detail is the very stuff of local government and we should ignore it at our peril. But the future of Haldimand-Norfolk cannot be decided by statistics alone.

739. The DPA Group Inc. Report entitled Analysis of Factors Affecting Municipal Boundaries gives support to the argument that the Regional Municipality of Haldimand-Norfolk Act, 1973, brought union without unity. It was made clear to us that there is lacking

that sense of "regional community" or "belonging to" which lies at the heart of effective local democracy. Significant is the lack of an influential centre to provide services, not just for itself, but for the landward area. There is no lodestar on which a "regional community" can focus.

740. The argument was made that there is little economic inter-relationship between Haldimand and Norfolk save for the employment provided at The Lake Erie Industrial Park (Hydro, Stelco and Texaco). It was said that the people in Haldimand tend to look to Hamilton, St. Catherines and Welland and travel there for market and employment, shopping, cultural, social, medical and higher education facilities. The people in Norfolk tend to gravitate for the same purposes to London, Woodstock, St. Thomas and Brantford. They have not been welded together into a cohesive regional community. We think this argument has merit.

741. Even in agriculture the predominant industry in both Haldimand and Norfolk, there is a clash of characteristics. Norfolk is best known for its tobacco farms, orchards and market gardens; Haldimand for its cash crops, dairying and general farming.

742. More significant than verbal argument about alienation of their interests is the argument drawn from two simple facts: 15 years after the union by regionalization, the Haldimand Board of Education and the Haldimand Federation of Agriculture are entities of energy and action, separate and apart from their equally energetic and active counterparts, the

Norfolk Board of Education and the Norfolk Federation of Agriculture, respectively.

Tradition

743. Of course an end would come to the existing six area municipalities. In opposition it was said that townships, represent a concept of tradition that withstands the winds of logic by the depth and toughness of their roots in the past. As to this, the answer is that the existing area municipalities are of recent origin and do not accord to the former township boundaries. Nor could the original township whistle down the winds of change to what they should become.

744. Tradition is indeed a place to seek fundamental values. Two one-tier unitary authorities would generate the unitary tradition of distinct counties. We conceive the two unitary structures as preserving, in some considerable degree, the traditions and historic continuity of the former Counties of Haldimand and Norfolk while allowing each to regain its autonomous authority completely independent of each other.

745. From the aggregate evidence before the Board the presence of two self-contained "county or district communities" within the Region, appear to have emerged. They have little community with each other; but each has a fairly strong internal and external coherence and individuality.

746. But we have not yet reached the journey's end. We

must go on to compare the two one-tier unitary structures and the existing regional structure from a fiscal perspective.

747. Yet, on the basis of our evidence, the two one-tier structures offers opportunity for the following:

- The creation of two distinct and separate municipal entities, namely the Districts (or Counties) of Haldimand and Norfolk, each of which has considerable coherence by reason of internal and external social and economic ties.

- Increased potential to secure the needs of efficiency in providing local government services by placing the resources of local government in the hands of two authorities rather than the seven under the regional system.

- Two unitary authorities that would be in a position to react more flexibly to the certainty of continuing change generally and to potential change in municipal-provincial relations by reason of its comprehensiveness than the existing regional structure.

- More likelihood that people will recognize the relevance of local government to their own and the area's well being.

- To preserve in no small degree the traditions and historic continuity of the two former counties of Haldimand and Norfolk.

- All the main local government needs of all the people in the District of Haldimand and the District of Norfolk, respectively, could be considered from a single centre and provided for according to a single strategy.

CHAPTER 28

THE FINAL APPROACH

748. We now stand at the threshold of the decisive question: whether the existing system of regional government will best enable the purpose of local government to be realized in Haldimand-Norfolk, or whether two one-tier structures would make it possible to better secure that purpose?

749. It is appropriate at this stage to briefly summarize the current posture of the regional government system in Haldimand-Norfolk.

750. We must say that the system has worked reasonably well and deserves much more credit than its critics ascribe to it. The picture presented is one of low municipal taxes, low debt levels, relatively modest school taxes, high sewage and water user charges, low per household expenditures and special grant concessions.

751. It is relevant to re-state several of the difficulties which underlie efforts of the regional authority, such as, minimal population and household growth, as well as modest commercial/industrial development. Through no fault of the regional council Haldimand-Norfolk has not been able to replicate, to the degree expected, with the remarkable economic expansion that has come to many parts of southern Ontario in recent years.

752. The difficulties are not as apparent as they might be because of the skill and resourcefulness of the people (councillors and staff) operating the system.

753. What we have seen and heard during the course of the review process has impressed upon us the spirit and sense of public service that exists in both regional and local councils.

754. The choice between the existing structure and the theoretical two one-tier structure turns on what importance is attached to a few decisive administrational, economic and political issues. We refer to political issues in their noble and non-partisan sense.

755. First, it falls to us to compare the overall tax burden responsibility under the existing regional structure to the projected tax responsibilities determined under the two one-tier structure. Familiarity breeds inattention and so we remind ourselves that an earlier Table 607 comparing of overall tax burden includes annual sewage and water charges on the basis of the individual system rates.

756. As we have seen two events having a significant impact on sewage and water rates have occurred since 1987. Firstly, the Regional Council approved uniform sewage and water rates in December, 1988. The implementation plan approved the phasing in of uniform rates beginning in 1989, with fully uniform rates in 1991. Secondly, Regional Council gave policy approval to undertake water and sewer capital

expenditures from 1988 to 1993 (including capital works in progress at the end of 1988) to cost approximately $58 million.

757. As far as the two one-tier structures are concerned, a uniform sewage and water rate policy is workable in both districts. Of course, the range of uniformity in each case would be limited to the urban areas within each respective district.

758. The Board makes no political judgment between the use of uniform rates and the individual system rates. If two one-tier structures were implemented each district, we assume, would be free to make its own decision on the issue. Because uniform rates are the existing reality the Board has drawn tables of comparison on this basis.

759. The next Table 759 compares the situation under the region and the two one-tier authorities, if full uniform rates had been in place on January 1, 1987.

TABLE 759
HYPOTHETICAL COMPARISON OF UNIFORM RATES FOR THE REGION AND TWO DISTRICTS IN 1987

	Water	**Sewage**	**Total**
Region	$164	$196	$360
District of Norfolk	$155	$199	$354
District of Haldimand	$196	$216	$412

760. Table 760 shows a more detailed comparison of sewage and water under the region and the two one-tier structures, and the region and the two one-tier structures, had full uniform rates been in place on January 1, 1987.

761. The next Table which requires examination is the comparison of the overall tax burden under the Region and the projected tax responsibility under the two one-tier structures assuming full uniform sewage and water rates had been implemented and assuming annual water consumption of 60,000 gallons (see Table 761).

762. While this Table closely resembles the existing regional structure and Alternative 4 projections presented in Table 607, it recognizes the added dimension of uniform water and sewage rates.

763. Except for two qualifications the operation of the two one-tier structures are projected on the 1987 actual expenditures and revenues of the region. The qualifications are these: expenditures and revenues of the two one-tier structures have been reduced by the amounts of $493,000 and $757,000, respectively.

TABLE 760

A COMPARISON OF FULL UNIFORM SEWAGE AND WATER RATES BURDEN UNDER THE REGION AND THE TWO ONE-TIER DISTRICTS

Projected Average Annual Residential Charges (in 1987$) (Based on Average Annual Consumption of 60,000 Gallons).

	Individual System Rates			Uniform Rates	
JURISDICTION	**Existing Rates $ [Actual]**	**Rate $**	**Region Increase/ Decrease $**	**Rate $**	**Two One-Tiers Increase/ Decrease $**
NANTICOKE					
Jarvis	362	360	(2)	412	50
Port Dover	389	360	(29)	354	(35)
Townsend	409	360	(49)	412	3
Waterford	291	360	69	354	63
DUNNVILLE					
(Urban)	310	360	50	412	102
HALDIMAND					
Caledonia	391	360	(31)	412	21
Hagersville	647	360	(287)	412	(235)
Cayuga	558	360	(198)	412	(146)
SIMCOE					
(Urban)	364	360	(4)	354	(10)
DELHI					
(Urban)	330	360	(4)	354	24
NORFOLK					
Port Rowan	470	360	(110)	354	(116)
Courtland	203	164	(39)	155	(48)

NOTE:

The Two One-Tier Uniform rates allow for some loss in economies of scale as identified in Chapter 3 of the Phase 3 report; this loss causes an increase in rates of approximately 3.75% in Haldimand and 1.85% in Norfolk.

TABLE 761

A COMPARISON OF 1987 ACTUAL TAX RESPONSIBILITY UNDER THE REGION AND THE PROJECTED TAX BURDEN UNDER THE TWO ONE-TIER DISTRICTS

	Individual System Rates			Uniform Rates		
	A Existing Regional & Area Munic.	B Regional & Area Munic. Uniform Rates		C Two One Tier Districts Uniform Rates		D Increase/ Decrease C-B
Jurisdiction	$	$	%	$	%	$
NANTICOKE						
Jarvis	1,292	1,290	(0.2)	1,371	6.1	81
Port Dover	1,385	1,356	(2.1)	1,473	6.4	117
Townsend	1,339	1,290	(3.7)	1,371	2.4	81
Waterford	1,287	1,356	5.4	1,473	14.5	117
Rural (Haldimand)	930	930	0.0	959	3.1	29
Rural (Norfolk)	996	996	0.0	1,119	12.3	123
DUNNVILLE						
Urban	1,500	1,550	3.3	1,371	(8.6)	(179)
Rural	1,135	1,135	0.0	979	(15.5)	(176)
HALDIMAND						
Caledonia	1,458	1,427	(2.1)	1,371	(6.0)	(56)
Hagersville	1,714	1,427	(16.7)	1,371	(20.0)	(56)
Cayuga	1,625	1,427	(12.2)	1,371	(15.6)	(56)
Rural	1,067	1,067	0.0	959	(10.1)	(108)
SIMCOE						
Urban	1,584	1,580	(0.3)	1,473	(7.0)	(107)
Rural	1,220	1,220	0.0	1,119	(8.3)	(101)
DELHI						
Urban	1,391	1,421	2.2	1,473	5.9	52
Rural	1,061	1,061	0.0	1,119	5.5	58
NORFOLK						
Port Rowan	1,557	1,447	(7.1)	1,473	(5.4)	26
Courtland	1,274	1,235	(3.1)	1,274	0.0	39
Rural	1,018	1,018	0.0	1,119	9.9	101

764. Table 761, hypothetical though it be, shows considerable change, up and down, in the overall tax burden responsibility under the two one-tiers compared to the tax burden under the existing regional arrangement assuming uniform water and sewer rates had been implemented. We find that there are decreases in Dunnville of $179 (urban) and $176 (rural); in Haldimand of $56 (Caledonia, Cayuga and Hagersville) and $108 (rural); and in Simcoe of $107 (urban) and $101 (rural).

765. In turn, one must look at the other side of the coin. Here we find that there are increases in Nanticoke of $81 (Jarvis and Townsend) and of $117 (Port Dover and Waterford) and of $29 (the rural part of Nanticoke falling into the District of Haldimand) and of $123 (the rural part of Nanticoke falling into the District of Norfolk); in Delhi of $52 (urban) and $58 (rural); in Norfolk of $26 (Port Rowan) and $39 (Courtland) and $101 (rural).

766. Out of an abundance of caution, we reiterate our earlier caveat. The figures in Table 761 on the two one-tier structures, like those in Table 607 in Chapter 24, should be treated as indicative of the direction of tax burden changes and the relative extent of such changes rather than the precise amount of the changes.

767. Not unnaturally the projected overall tax burden changes under the two one-tier structures will be looked at differently in different area municipalities. Most taxpayers will inspect them

through the eye glasses of their own feelings and interests. We can understand that a taxpayer could feel a sense of unfairness in a situation where the tax burden is increased because of a municipal boundary and structural change.

768. Loyalty to our terms of reference required a study of possible alternatives to the existing regional structure. Not for a moment does it imply disloyalty to the principles of tax fairness. To fulfil this part of the Review also required an examination of tax burden changes under various alternatives.

769. The figures in Table 761 indicate that the distribution of tax burden under the theoretical two one-tier structures was one of action and reaction, broadly equal and opposite. On the one hand the areas of highest overall tax burden under the region benefit from decreases under the two one-tier structures. On the other hand the areas of lowest overall tax responsibility under the region face increases under the two one-tier structures. The result makes for a more equitable distribution of the tax burden falling on both the typical ratepayer and the present area municipalities.

Other Criteria for Fiscal Comparison

770. We can certainly understand the instinct to minimize the number of occasions for involvement in statistical analysis but another tour, albeit brisk, is unavoidable. It is instructive to compare the region and the theoretical two one-tier structures against financial criteria already referred to in

Chapter 24. We begin with the test of tax dispersion.

Tax Burden Dispersion for Urban Ratepayers

771. This criteria measures the extent of variation between the highest tax burden for all urban ratepayers and the lowest tax burden among urban ratepayers (see Table 771).

TABLE 771

TAX BURDEN DISPERSION FOR URBAN RATEPAYERS

Levy	Region/Area Munic. Uniform Water and Sewer Rates $	Two One-Tier Uniform Water and Sewer Rates $
Highest Levy	1,580	1,473
Lowest Levy	1,290	1,371
Difference	290	102

772. The previous Table (Table 771) shows that the two one-tier structures compress the range of tax burden to a greater degree than the regional structure.

TABLE 773

TAX BURDEN DISPERSION FOR RURAL RATEPAYERS

Levy	Region/ Area Municipalities $	Two One-Tiers $
Highest Levy	1,220	1,119
Lowest Levy	930	959
Difference	290	160

773. Table 773 also indicates that the two one-tiers compress the range of tax burden to a greater degree than the region.

774. The financial comparison of the two municipal structures (the region and the two one-tiers) can be further put in perspective by exploring the necessary tax effort upon a typical residential dwelling assessed at $4,400, in order to yield an overall tax revenue of $200 for cash household within each of the respective six area municipalities. Column two in Table 774 indicates the approximate per household tax effort equivalent to $200 per household within each of the individual municipalities.

TABLE 774

TAX EFFORT NECESSARY TO PROVIDE AGGREGATE TAX REVENUES TO $200 PER HOUSEHOLD

	The Region Area Mun. $	Two One-Tiers $
East Nanticoke (District of Haldimand)	112	115
Dunnville	152	115
Haldimand	133	115
West Nanticoke (District of Norfolk)	112	135
Simcoe	127	135
Delhi	133	135
Norfolk	122	135

775. On the basis of Table 774 one can observe that it would require a tax effort of $115 in order to yield $200 for each household in Dunnville under the two one-tiers whereas it would require a tax effort of $152 to yield $200 tax revenue under the region. In Simcoe the ratio inclines differently. It would require a tax effort of $135 in order to yield $200 tax revenue per household under the two one-tiers whereas it would require a tax effort of $127 to yield $200 tax revenue under the region. The figures in Table 774 speak for themselves and no further analysis on our part is necessary.

Ability to Accommodate Uniform Sewer and Water Rates

776. As we have seen the greatest flexibility to implement uniform rate structures is under the region although there is significant but more restricted flexibility to moderate rates under the two one-tiers.

Ability to Achieve Economies of Scale

777. The relationship between size of structure and economies of scale often seems to be taken for granted. But all services don't fit the same pattern of efficiency. Though we do not suggest that size factor influencing the efficiency of performance is

negligible, we believe that the functional service requirements need to be analyzed in relation to the social geography of the particular area. As mentioned earlier, we find it difficult to see how efficiency is generally enhanced by joining a large area with a relatively small population (the former County of Haldimand) to another large area also with a relatively small population (the former County of Norfolk). The end result is obviously a larger area with continuation of a sparse population.

778. To return to a comparison between the two one-tier structures and the region: we are inclined to the view that, on the whole, the former has the greater potential to provide economies of scale than the latter. The reduction from seven jurisdictions (the region and six area municipalities) to two cohesive jurisdictions would seem to provide legitimate argument for this view.

779. An argument as to which structure, the region or the theoretical two one-tier structures, exhibited the greater advantage from a purely financial perspective is one that neither side can significantly win on the basis of the evidence before the Board.

780. The more important question is which one can better win the approval for the future? The answer to this question depends upon larger considerations than purely overall tax burden.

781. The region has the comparative attraction that it is a known reality. The projections in respect to the two one-tier structures have been assailed on the ground that they involve the making of broad assumptions and hence are questionable. The study team was not oblivious to the need of care and caution in making assumptions. What's more, the making of reasonable assumptions is a rational way of doing things. We all order our lives on the basis of reasonable assumptions: without them life would be impossible. Admittedly however, use of assumptions does take away from precise conclusions.

782. In judging a local government structure one must not forget that progress without the necessary financial resources is impossible to achieve. In comparison to surrounding communities (excluding the County of Elgin) the Region of Haldimand-Norfolk's grant entitlements have represented a greater portion of its revenue entitlement. This has been influenced by preferential treatment in the form of maximum

unconditional police grants and lower spending levels within Haldimand-Norfolk.

783. We are not saying these things with the least desire to deny Haldimand-Norfolk special assistance. Because of its modest growth of development it is not, in terms of its resource base, on equal footing with other regions. We think that its status as a region with a standard of service appropriate to that generally associated with other regional governments makes it desirable to provide it with special financial concessions; and we recommend accordingly.

784. However, it would be idle to shut our eyes to certain circumstances. From the Board's perspective, the concern with respect to the property tax levels in Haldimand-Norfolk is not that the charges themselves are inordinate but the gradual escalation of 34.6% (1982-1987) substantially surpassed the growth in per household incomes of 20.8% (1982 - 1987). This is compounded by the fact that historically the average income levels within Haldimand-Norfolk have been below the provincial average (1982 - 1987).

785. Table 785 illustrates the impact of household income growth lagging the escalation in property taxation. It will be observed that on a Regional average basis in 1982, 2.9% of household income was necessary to generally satisfy property tax requirements whereas, in 1987, the commitment of per household income generally amounted to 3.3%.

786. We sense that continued slow development, coupled with the gradual province-wide decline of provincial assistance as a proportion of overall municipal expenditures and continued devolution or off loading of provincial responsibilities may require a re-appraisal of future operations, both regionally and locally in Haldimand-Norfolk.

787. We are deeply concerned to make it clear that, in saying all this, we intend no criticism of the present regional and local authorities or their staff. The circumstances to which reference is made above are beyond their control.

TABLE 785

COMPARISON OF TAXES IN SELECT REGIONS AND COUNTIES IN 1987, WITH TOTALS FOR ALL REGIONS, ALL COUNTIES AND THE PROVINCE-WIDE TOTAL IN 1982 AND 1987

JURISDICTION	Municipal Taxes	Special Charges	School Taxes	Average Per Household Taxes	1982-87 % Change	Tax to Income Ratio %
Region of Niagara						
(1987)	617	172	517	1,306	-	3.1
Region of Haldimand-Wentworth						
(1987)	639	276	582	1,159	-	3.5
County of Brant						
(1987)	517	177	465	1,159	-	2.8
County of Oxford						
(1987)	523	146	474	1,143	-	3.0
County of Elgin						
(1987)	431	267	357	1,055	-	2.8
Total All Regions						
(1982)	443	115	464	1,022	-	2.7
(1987)	608	172	646	1,426	39.5	2.9
Total All Counties						
(1982)	324	142	331	797	-	2.5
(1987)	378	211	489	1,078	35.3	2.6
Total Province-Wide						
(1982)	421	109	433	963	-	2.7
(1987)	571	161	646	1,378	43.1	3.0

Notes:

1) Special charges assign the average per household charge, within each municipality, for those that receive water, sewage, garbage collection, etc.

2) Average per household taxes are based on average assessment for residential units, excluding farm and seasonal dwellings.

Source: Taxation from Municipal Analysis Retrieval System and Incomes.

788. It is our belief that the potential of a municipality to shape its future is neither more or less than the structure of its local government. We have no thought to disparage the principles of regionalism. But our quest is for a recommendation of an authority or authorities for a particular socio-geographic area, taking into account both present realities and the certainty of continuing change.

789. The problems of economic planning are often cited as the Achilles heel of unitary structures. Here the size of the two areas would seem appropriate for future development as we can best foresee it. There are no significant urban renewal problems or obsolete urban fabric.

790. A change to two unitary authorities would involve no dislocation of laternal boundaries except for Nanticoke. The grouping of the two homes for the aged, the two boards of education and the three hospitals lend themselves to two one-tier structures.

791. We do not mean, for a moment, to imply that two one-tier structures are a panacea to all the problems of municipal government in Haldimand-Norfolk. If implemented, they would undoubtedly be caught between the same conflicting forces as confront the region, such as: public expectation of a high level of services and a gradual decline of provincial assistance as a proportion of overall municipal expenditures and continual devolution of provincial responsibilities.

792. Earlier we mentioned proposed water and sewer capital

expenditures from 1988 to 1993 of approximately $58 million. A comparison of the average annual residential tax burdens (assuming uniform rate structure and the projected capital projects to 1993 with their associated debt levels had been in place in 1987) for those urban areas having water and/or sewer service under the regional structure and the two one-tier structures are indicated in Table 792.

TABLE 792

COMPARISON OF AVERAGE ANNUAL RESIDENTIAL TAX BURDENS FOR JURISDICTIONS WITH WATER/SEWER SERVICES UNDER THE REGION AND TWO ONE-TIER STRUCTURES

JURISDICTION	Region & Area Municipalities	Two One-Tier Districts	Increase/ (Decrease)
	$	$	$
NANTICOKE			
Jarvis	1,412	1,564	152
Port Dover	1,478	1,569	91
Towsend	1,339	1,564	152
Waterford	1,478	1,569	91
DUNNVILLE	1,672	1,584	(108)
HALDIMAND			
Caledonia	1,549	1,564	15
Hagersville	1,549	1,564	15
Cayuga	1,549	1,564	15
SIMCOE	1,702	1,569	(133)
DELHI	1,543	1,569	26
NORFOLK			
Port Rowan	1,569	1,569	0
Courtland	1,274	1,332	39

Note:

1) Average annual residential tax burdens based on assumption of uniform rates and projected capital projects to 1993, and the associated debt levels had been in place in 1987.

Summary

793. Chapter 24, "A Fiscal Question of Importance" and Chapter 25, "Alternatives: The Prescribed Method of Comparison" presented a fairly detailed comparison of the salient advantages and disadvantages of five possible structural alternatives. While this analysis indicated that two one-tier structures (*Alternative 4*) would be the most appropriate configurations in the event of a change, it was felt that before passing judgement, we should extend our analysis to ensure that it has the potential to satisfy future circumstances. As a consequence, this Chapter has concentrated on a more indepth review contrasting the existing regional structure to the alternative two one-tier structures. Further, it recognized the fact that the Region has adopted a policy to implement uniform sewage and water rates, and has made a commitment to undertake substantial sewer and water capital improvements. The results, based on the evidence at our disposal, lead us to the conclusion that two one-tier structures would be a viable alternative to the Regional structure in addressing the future needs of the Haldimand-Norfolk area.

CHAPTER 29

MAKING THE CHOICE

794. To evaluate a theoretical unitary structure (two one-tiers) against an existing regional structure is not only a delicate but an infinitely difficult task involving, as it does, the vital interests of the community.

795. In taking account of the existing structure, it is necessary to traverse familiar ground. It was created in the expectancy of immediate and pressing challenges of great economic and population growth. Only an authority with the power and resources of a regional structure (it was thought) could provide the administrative efficiency and functional effectiveness required to meet the needs of large scale new development.

796. The regional structure came, but not the envisioned development and population growth. The regional and area authorities are, of course, now in place and operating quite well. They have done much valuable work.

797. Further significant economic development is, in our view, central to the most effective use of the regional system. To that end, it has made some progress but it is far from possible to tell how quickly more significant economic expansion will occur.

798. In previous Chapters, we have stated in some detail what we believe to be the potential advantages of two one-tier structures. However, we do not consider this unitary system as a simple panacea to all the problems common to local governments. Suffice it to say at this stage that, in our view, it does represent the opportunity to create two separate and internally coherent structures (the "Districts" of Haldimand and Norfolk) each covered by a single level authority with the potential to meet the needs of efficiency and democracy.

799. The question then arose which now falls to be decided: is our belief in what opportunities could be gained, within a reasonable time, by making a change to two one-tier structures sufficient justification for the painful and costly business of making the change and does it warrant the probable losses from the change? The most likely loss would be the special grant concessions provided to the regional area.

800. We have carefully considered the realities of the existing regional structure (considering its cost effectiveness, division of responsibilities, present fiscal opportunities, and sensitivity to local needs) as compared against the potential opportunities provided under two one-tier structures. We do not think that there are compelling reasons, at this time, to recommend a structural change. However, having taken this position, we do think that if potential circumstances mentioned below, ripen into reality, they could well provide a potent stimulus

for local government readjustment or structural change.

801. Of continuing change we may be certain. Local governments are not what they have been. They are always becoming something else in terms of their power, functions and structure. Various occurrences will help to influence what they will be tomorrow.

802. While not exhaustive, the following points highlight the type of potential occurrences or non-occurrences, which could well warrant consideration of a consolidation or realignment of municipal operations:

- Transfer or devolution of additional programs from the provincial to the municipal sector (e.g. court security, realty assessments);

- Provincial delegation of land use planning controls so that planning decisions become the exclusive responsibility of the municipal sector;

- Provincial funding (conditional and unconditional grants) continuing to decline as a proportion of overall municipal expenditures;

- Provincial funding instituting progressive rates (per household or percentage) that escalate relative to the size of a municipality;

- Economic development continuing to lag the provincial average or the average of surrounding areas;

- Staff reductions with respect to hard services with greater deployment for soft services (e.g. leisure activities, residential accommodation for seniors, tourism development);
- More specialized central administration to address pay equity, labour relations, computer advancements, etc.;
- Introduction of technological improvements for such services as fire protection and roadway maintenance;
- Centralized communication systems for police, fire, emergency measures and public works;
- Requirement that municipal policing be provided throughout as a local government financial responsibility;
- Expansion in the divergency of per household assessments among the area municipalities (Town of Dunnville as compared to City of Nanticoke);
- Income per capita continuing to lag the provincial average or average of surrounding regions;
- Proliferation of joint service agreements;
- Discontinuance of special grant concessions to Haldimand-Norfolk by the province;

- Further overlapping in the usage of services (i.e. library, parks and recreation);

- Duplication or overlap in the provision of services (i.e. roadways);

- Development on the periphery of existing municipalities resulting in servicing problems (i.e. the Town of Simcoe);

- A larger municipal jurisdiction for health and social services (i.e. Haldimand-Norfolk and Brant County);

- Discontinuance of agency relations on behalf of the Province (i.e home care programs).

803. Realistically, all of the aforementioned may occur simultaneously, but the occurrence of some may well point to the need for readjustment of the existing structure or the implementation of an alternative framework.

804. At this juncture, we would suggest that if these circumstantial or potential changes materialize, two one-tier structures afford the greatest potential to satisfy these future challenges.

805. People may be reluctant to direct change in local government functions or structures but facts will dictate it. Facts are stubborn and will not yield.

A non-occurrence is as much a fact as an occurrence. The absence of significant economic expansion in the intermediate future, may largely determine the shape of things to come.

Recommendation 29.1

806. **We recommend no immediate change from the basic regional system of municipal government in Haldimand-Norfolk.**

807. As to change, so much depends on how the issue is raised and when it is raised. Experience admonishes against premature decision. *Time is the most decisive element in all phases of government.*

Recommendation 29.2

808. **We recommend a unitary system consisting of two one-tier structures as a democratically viable, socially acceptable, effective and efficient alternative form of local self-government to meet the challenges of the future in the Haldimand-Norfolk area.**

CHAPTER 30

POSTSCRIPT

809. To end as I began, I revert to the first personal pronoun. If this Report appears to have given considerable space to examining possible alternatives to the existing regional structure, I can only plead a rigorous attempt to be faithful to the terms of reference.

810. I believe that every encouragement and inducement should be given towards further reflection on two one-tier structures. The idea should not be drowned in the undertow influence exerted by the absence of a recommendation of an immediate change of structure. The period of gestation of a new structure is reckoned in five or six years, at least.

811. There are two distinct steps in the progress of an alternative structure: namely its formulation and its acceptance. The two involve different processes.

812. I believe, as already noted, that two one-tier structures would preserve, in no small degree, the tradition and historic continuity of the two former counties. But they would not be a restoration; they would be fundamentally a creation of new structures of government.

813. The implementation of two one-tier structures in Haldimand-Norfolk would be making a novel experiment in local self-government. But then, to use a borrowed phrase, the science of government is the "science of experimentation".

814. The Board of Review, acting within the limits of its resources, has formulated the contours of what it believes to be an efficient, workable, socially effective and democratically viable local government structure. But we are still at the beginning of the process. There remains the task of filling in the details which will give further meaning and content to the contours of the structure. It is hardly within the scope of the Board's resources and terms of reference to formulate a definitive detailed structure.

815. The Board has no crystal ball in which it can discuss with any certainty howm many people will be drawn to the two one-tier structures. But I feel bound to venture the belief, with all respect, that a substantial proortion of the community, at this stage, will be opposed or at least somewhat hesitant. It would be a perfectly understandable response. It is not strange that people pause before opening a previously unopened door.

816. Modest repetition of what is basic and essential may be a virtue rather than a fault. The structure of local self-government is not an absolute concept. It must be related to conditions of time and place and circumstance.

817. However, much as people may deplore it, and many do, strong centralizing influences are at work. Provincially uniform standards of services (health care, social services, safety provisions, and environmental regulations, among others), the

intensification of the revolution in communications, and enormous increase in personal mobility are realities to which I cannot close my eyes.

818. On the other hand, there must be scope for local governments with an understanding of local characteristics, customs and standards. It is essential that there be a local structure devoted to the solution of local problems. However, changing circumstances have given a wider definition to the word "localism" in municipal affairs.

819. This report stands at the centre of the conflict between attachments to localism and the march of centralization. *Alternative 4* (Two One-Tier Structures) is, I believe, neither parochial nor utopian.

820. Time is an indispensable condition to the determination of the question whether this unitary system will find a home in the mind and spirit of the inhabitants of Haldimand-Norfolk.

821. I respectfully submit this Report in the hope that it may prove useful to you, Honourable Minister, and your colleagues.

L. T Pennell
Chairman

CHAPTER 31

CONSOLIDATED RECOMMENDATIONS

PLANNING

Recommendation 7.1

We recommend that a modest public relations and communications program be undertaken to promote a proper degree of understanding of, and participation in, the planning process by the general public, under the joint sponsorship of the regional and area municipalities.

Recommendation 7.2

We therefore recommend that the regional and area municipality planning authorities re-examine their communications and public relations policies with a view to improving the public understanding of the planning administration and of the land use planning processes in the region.

Recommendation 7.3

We therefore recommend that the regional chairperson and regional planning director, as well as the area mayors and administrative representatives from each area municipality, or designates of these positions, constitute a consultation committee on common planning concerns.

Recommendations 7.4

We recommend:

(a) that final approval authority of subdivision plans, condominium plans of subdivision and by-laws for part lot control and road closings be delegated to the Regional Municipality of Haldimand-Norfolk;

(b) that the Ministry of Municipal Affairs not reject the request of the Region to have final approval authority of area official plans and amendments thereto delegated to it, but that it be the subject of further study and consultation on the part of the Ministry and the Region.

Recommendation 7.5

We recommend that members of the regional and area municipalities' staffs should consult together from time to time in order to:

(a) establish firm practices and procedures including a timetable for processing the various land use applications; and,

(b) examine methods for improving the public's understanding of planning administration in the region.

ECONOMIC DEVELOPMENT

Recommendation 9.1a

We recommend that the Regional Council of Haldimand-Norfolk establish an advisory committee, as representative as reasonably possible of the agricultural, commercial and industrial sectors from the regional community. This committee should study and conceive of a prevailing order of ideas or programs as to how and where the Regional Municipality, and its constituent municipalities, could most effectively and efficiently direct their energies to promote economic growth and to advise the Regional Municipality accordingly.

Recommendation 9.1b

The alternative recommendation is that the Regional Municipality of Haldimand-Norfolk Act, 1973, be amended to provide for the incorporation of a Haldimand-Norfolk Industrial Development Corporation and that provision be made for the delegation of the Regional economic development powers, in part or in whole, to the Corporation for a specified period of time and subject to other provisions requested by the Regional Council of the Regional Municipality of Haldimand-Norfolk.

Recommendation 9.2

We therefore recommend that the Regional Council provide additional development sites in each area municipality, designated and zoned; in the context of the regional economic development strategy and with due regard to private sector development and cost benefit analysis.

Recommendation 9.3

For this reason we recommend that:

a) the by-pass of Hamilton - by way of the main north-south route in the central part of the Region, Highway #6, be completed as soon as reasonably possible to provide ready access to Highway 403 and thus, to the Metropolitan Toronto market area.

b) a few tortuous lengths of Highway #3, the main east-west route in the Region, be brought to a high practical standard to provide an efficient access to United States markets and sources of supply.

c) the province commission a study of of Highway #3 eastward beyond the boundary of Haldimand-Norfolk to the United States boarder, to be done by the relevant municipal authorities.

Recommendation 9.4

We recommend that the Ministry of Natural Resources take legislative action to protect the rare variety of trees particularly indigenous to the Carolinian area of the Region.

Recommendation 9.5

We recommend that a conference, composed of no less than six members of the Regional Council and three members of each of the Haldimand and the Norfolk federations of agriculture, be convened by the Chairman of the Regional Council at least once a year, commencing in 1990. The conference so convened shall include on its agenda the following:

a) matters of regional and area governments pertinent to the interests of the agricultural industry (i.e. severances, zoning variances);

b) concerns regarding the regional official policy plan in respect to agricultural severances;

c) such other matters as are agreed upon.

PERSONNEL SERVICES

Recommendations 10.1

For the reasons given we recommend that:

(a) The Region and area municipalities enter into an agreement allowing the area municipalities to employ the services of the regional personnel department; and

(b) That the personnel department's services should be rendered to the area municipalities in an advisory capacity according to the terms and conditions stipulated in the agreement.

HEALTH AND SOCIAL SERVICES

Recommendation: 12.1

We recommend that the regional departments of Health Services and Social Services enter into discussions with the Ministry of Health and the Ministry of Community and Social Services for the purpose of defining the demarcation of service delivery responsibilities between the two regional departments, so as to guard against potential duplication in the area of delivery of tertiary care services referred to in Chapter 11.

POLICE SERVICES

Recommendation: 13.1

We recommend that:

(a) the Ministry of the Solicitor General undertake a study to identify a delivery scheme of police services that will do justice both to the claims of financial efficiency and to the law enforcement needs in Haldimand-Norfolk.

(b) regardless of the outcome of the said study, the unconditional "police" grant or grant in lieu thereof be continued to be calculated on the total households in the Region and in an amount not less than the current level.

Recommendation 13.2

We recommend that the Haldimand-Norfolk Act be amended to provide:

(a) that the Haldimand-Norfolk Regional Board of Commissioners of Police consist of seven members: four appointed by regional council and three appointed by the Solicitor General of Ontario; and,

(b) that a quorum of the Board of Commissioners of police consist of at least four members, of whom at least one is a provincial appointee and at least two are regional councillors.

Recommendation 13.3

We recommend that the budget of the Haldimand-Norfolk Board of Commissioners of police should be subject to the approval of the regional council and the approved amount should be final and binding on the Board of Commissioners of Police as it is for a department of regional government.

ROAD SERVICES

Recommendation 14.1

We therefore recommend that the appropriate members of the administrative staffs of the regional and area municipalities should constitute a committee with set rules and procedures, to discuss and make recommendations in all matters of public interest and common concern including, but not limited to, the following:

- (a) a review of road operations throughout the Region to determine whether economies can be affected by:
    - (i) the increased use of contract maintenance agreements between regional and area authorities, especially for winger control;
    - (ii) joint purchasing or leasing equipment, and
    - (iii) regional contracting out of work to area municipalities or private firms under appropriate circumstances.

Recommendation 14.2

We recommend therefore, that the Regional Municipality of Haldimand-Norfolk Act, 1973 be amended so that an area municipality can be vested with the power to pass by-laws regulating traffic on roadways in its jurisdiction and exclusive of the powers of the Regional Municipality.

HYDRO ELECTRIC COMMISSIONS

Recommendation 17.1

We recommend that the council of the area municipality be given the opportunity to amend a by-law that has been passed under S.50 (6.13) of the Regional Municipality of Haldimand-Norfolk Amendment Act, 1984. This particular by-law defines the composition of an area municipality's Hydro-Electric Commission.

REPRESENTATION AND ACCOUNTABILITY

Recommendation 18.1

According, we respectfully recommend that the Town of Haldimand consider a reduction in council size.

Recommendation 18.2

We recommend that the Regional Municipality of Haldimand-Norfolk Act, 1973 be amended to provide that regional councillors be directly elected only to regional council and that area mayors should continue to be regional councillors.

Recommendation 18.3

We recommend that the Regional Municipality of Haldimand-Norfolk Act, 1973 be amended to provide that the regional chairperson be appointed from among the regional councillors (excluding the Mayors) by the regional council and that the person so appointed be entitled to retain his or her vote on council.

Recommendation 18.4

We therefore recommend that the Haldimand-Norfolk Act be amended to provide that, in the event that the head of a council of an area municipality or a regional councillor is for any reason unable to fulfil his or her duties as a member of the Regional Council for a period exceeding one month, the Council of the area municipality may, by by-law, appoint one of its members as an alternative representative to the Regional Council during his or her incapacity, but no such by-law shall have effect for a period longer than three months from its effective date.

TILE DRAINAGE AND SHORELINE PROPERTY ASSISTANCE

Recommendation 20.1

We recommend that the Regional Municipality of Haldimand-Norfolk Act be amended to:

- **a) provide that an area municipality may pass by-laws authorizing the issuance of debentures in accordance with the provision of the Tile Drainage Act without the assent or concurrence of the Regional Council, and**
- **b) provide that an area municipality may pass by-laws authorizing the issuance of debentures in accordance with the provisions of the Shoreline Property Assistance Act without the assent or concurrence of the Regional Council.**

LOCAL RESOURCE EQUALIZATION GRANT FUND

Recommendation 21.1

We recommend that the Regional Municipality of Haldimand-Norfolk Act, 1973 be amended to provide that:

1) **the Regional Council shall establish and maintain a local resource equalization grant fund and shall levy and contribute to such fund, in each year, the sum equivalent to a sum calculated at 5% of the total net levy, exclusive of the total sewage and water billings, for the Region in the same manner in which the regional levy is distributed in that year among the area municipalities;**
2) **none of the costs to the Regional Council in exercising its powers to establish and maintain a local resource equalization grant fund shall form part of the levy;**
3) **the monies raised for the local resource equalization grand fund established under the said amendment shall not be expended, pledged or applied to any purpose other than that for which the fund was established.**

4) the accumulated revenue of the local resources equalization grant fund shall be annually redistributed to each area municipality in the proportion of their specific per household deficiency for the Region.

CHOOSING THE ALTERNATIVE

Recommendation 29.1

We recommend no immediate change from the basic regional system of municipal government in Haldimand-Norfolk.

As to change, so much depends on how the issue is raised and when it is raised. Experience admonishes against premature decision. Time is the most decisive element in all phases of government.

Recommendation 29.2

We recommend a unitary system consisting of two one-tier structures as a democratically viable, socially acceptable, effective and efficient alternative form of local self-government to meet the challenges of the future in the Haldimand-Norfolk area.

FOOTNOTES

CHAPTER 22

1. Report of the Wheatley Royal Commission on Local Government in Scotland, Cmnd. 4150, 1969.
2. ibid.
3. ibid., pp.139
4. ibid., pp. 139
5. ibid.

CHAPTER 23

1. ibid.

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APPENDIX 1

ORGANIZATIONS AND INDIVIDUALS CONTACTED BY THE BOARD OF REVIEW

Organizations

Norfolk Field Naturalists - Simcoe
Catherine Smale
Fred Jonckheere

Haldimand-Norfolk Police Association

Advisory Committee - Simcoe
James N. Allen
Charles Skinner

Corporation of the Township of Norfolk

Haldimand Federation of Agriculture
Larry Powell - Hagersville

Simcoe Block Parents Association
Coleen Butcher - Simcoe

XV Reading Club
Laura Gibson - Caledonia

Federal "Futures" Group
Christopher Lee - Simcoe

Jarvis Board of Trade
Harry W. Reynolds - Jarvis

Futures Committee - Dunnville

Norfolk Co-Operative
Mr. Winch - Simcoe

Port Dover Board of Trade
Tom Myerscough - Port Dover

Caledonia Chamber of Commerce
Mike Evers - Caledonia

Tobacco Growers' Marketing Board
Alvin Lindsay - Tillsonburg

Dunnville Chamber of Commerce
Gerry Dyment - Dunnville

Haldimand-Norfolk Fishermens' Association
Rick Misner - Port Dover

Port Rowan Chamber of Commerce - Port Rowan

Hagersville Chamber of Commerce
Marie Trainer - Hagersville

Delhi Chamber of Commerce - Delhi

Norfolk Federation of Agriculture
Larry Partridge - Simcoe

Simcoe Chamber of Commerce
Bonnie Belaud - Simcoe

Haldimand Federation of Agriculture
Frank Sommer - Cayuga

Businesses

Slack Lumber & Supplies Ltd. - Caledonia

Cayuga Material & Construction Co. Ltd.
John McDonald - Cayuga

Bicks Glass Goods
Aart Berghegan - Dunnville

Cometic Technology
Ron Ramage - Delhi

Fernlea Flowers
Michael Bouts - Delhi

Henry H. Misner Ltd.
Don Misner - Port Dover

Dibcom Tobacco Processor Ltd.
Suzanne Lapine - Delhi

T.D.S. Livingston Ltd.
Brian Duncan - Tillsonburg

Morse Automotive Products
Mike Strozuk - Simcoe

Ivey's Inc.
Chuck Heaman - Port Dover

Canvil
Bert Spoelstra - Simcoe

Individuals

Thomas J. Campbell - Simcoe
Jean M. Kerr - Waterford
Darryl Hagan - Wilsonville
Laurel Lee Sowden - Jarvis
Michael McClusky - Delhi
Debbie Neirincky - Simcoe
Max Ricker - Dunnville
John Kelly - Dunnville
Joyce Branston - Dunnville
G.M. Hunter - Port Dover
Glenda Clarke - Simcoe
Karel Sterbach - Waterford
Gordon Ivey - Port Dover
Bain Munro - Hagersville
D.H. (Ben) Gilbertson - Simcoe
Mr. & Mrs. Robert Bird - Simcoe
G. R. Bartlett - Dunnville
John Oleksiuk - Caledonia
Ruth Cieszkowski - Dunnville
C.R. Coville - Simcoe
Howard Kerr - Cayuga
Clare Kindy - Selkirk
Adam Dale - Simcoe
Mr. & Mrs. Elmer Link - Cayuga
James T. Cowan - Dunnville

Eva Widerick - Dunnville
Garfield Disher - Dunnville
Yola Rose - Dunnville
Lowell E. Brown - Simcoe
Raymond E. Wardell - Dunnville
Gordon Miller MPP - Jarvis
David Yerex - Port Dover
Ted Whitworth - Port Rowan
H. W. (Buz) Fick - Simcoe
Linda Mills - Cayuga
John Alton - Port Dover
Sam Wilson - Cayuga
J. Bryan Weibe - Simcoe
Fred Brock - Hagersville
Steve Kaniuk - Simcoe
Peter Post - Port Dover
Heather Verleum - Canfield
Jack Wardell - Hagersville
Carol Reid - Waterford
Richard Walker - Simcoe
Mike Martin - Simcoe
Lyle Furry - Hagersville
Toby Barrett - Port Dover
Tom Millar - Turkey Point
Mike Corbin - Wilsonville

Karel Sterback - Waterford

David W. Bartlett - Ottawa
(Ottawa-Carleton Regional Review)

Municipal Councillors

Town of Simcoe

Mayor Jim Earl

Councillor Clarence Collver

Councillor Bert Eagleson

Councillor Robert Ross

Councillor Eileen Smith

Councillor Ron Judd

Councillor Ede Pos

Councillor Charlie Luke

Township of Norfolk

Mayor Clarence Abbott

Councillor Robert Causyn

Councillor Walter Van Laeken

Councillor Carole Menary

Councillor George Backus

Councillor Gordon Pickersgill

Councillor Jack Boughner

Councillor Keith Woolley

Councillor Hector Verhoeve

City of Nanticoke

Mayor Orval Shortt

Councillor Rita Kalmback

Councillor Keith Rainey

Councillor Harold Nie

Councillor Sylvester Saracuse

Councillor Sonny Lowe

Councillor Ralph Karsten

Councillor Rick Barker

Councillor Ted Frystak

Councillor Sandra Hall

Councillor Norm Sinibaldi

Councillor Jim Davidson

Town of Haldimand

Mayor Edith Fuller

Councillor Blake Gloyd

Councillor Dave Pierson

Councillor Ray Hunsinger

Councillor Bruce MacDonald

Councillor Keith McConachie

Councillor Marie Trainer

Town of Dunnville

Mayor Bernie Corbett

Councillor Frank Marshall

Councillor Fred Moodie

Councillor Jim Rowe

Councillor Harley Harvey

Councillor Mike Ramsey

Councillor Lorne Boyko

Township of Delhi

Mayor Gordon Lee

Councillor Ralph Bauer

Councillor Richard Sprau

Councillor Larry Partridge

Councillor John Kapusta

Councillor Mike Colombus

Councillor Jerry Thornout

Councillor Roger Vermeulen

Councillor Dan Van Londersele

Councillor John Harrison

Councillor Andrew Loncke

Councillor David Sayeau

Regional Municipality of Haldimand-Norfolk

Chairman Keith Richardson

Municipal Staff

Township of Norfolk

Bob Loncke

Karen Poirier

Peter Bryan-Pulham

Town of Dunnville

Ronald Sparks

Betty Lambert

Marie MacDonald

Henri Bennemeer

Martin Vandervlist

Bruce Clayton

Township of Delhi

Don Huggins

Denis Rogerson

Nadine Ilton

Roy Bauslaugh

Judy Boughner

Betty Gooding

Keith Grainger

Sally Lauszus

Frank Sams

Bob Woods

Town of Simcoe

C.R. Campbell

City of Nanticoke

David Kilpatrick

J. Scott Morris

Town of Haldimand

Al Trimble

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Sandi Scott

Walter Cook

Rick Beaumont

Karen General

Cherri Henning-Shelton

Terry Hall

Doug Ferguson

Robert Johnstone

Mike Robinson

Jill Foster

Andrew Colley

Charline Robertson

Ev McCullough

Nancy Welsh

MaryAnn Baker

APPENDIX 2

BACKGROUND TABLES

TABLE 2.0

1987 IMPACT OF INDIVIDUAL SERVICES ON NET LEVY FOR THE REGIONAL MUNICIPALITY OF HALDIMAND-NORFOLK (EXCLUDING WATER & SEWER)

	1987 GROSS EXPEND. $	% OF TOTAL GROSS EXP.	1987 NET LEVY $	% OF TOTAL NET LEVY
GENERAL GOVERNMENT	3,039	8.9	2,326	19.4
PROTECTION TO PERSONS AND PROPERTY				
Fire	7	0.0	6	0.0
Police	5,792	17.0	2,950	24.6
Conservation Authority	502	1.5	402	3.3
Protective Inspection & Control	616	1.8	(79)	(0.7)
Subtotal	6,917	20.3	3,279	27.2
TRANSPORTATION SERVICES				
Roadways	4,813	14.1	1,701	14.2
Winter Control	596	1.8	476	4.0
Subtotal	5,409	15.9	2,177	18.2
ENVIRONMENTAL SERVICES				
Garbage Disposal	895	2.6	438	3.7
Other	503	1.5	371	3.1
Subtotal	1,398	4.1	809	6.8
HEALTH SERVICES				
Public Health Services*	1,885	5.6	347	2.9
Public Health Inspections	557	1.6	66	0.5
Hospitals	411	1.2	328	2.7
Subtotal	2,853	8.4	741	6.1
SOCIAL AND FAMILY SERVICES				
General Assistance	3,320	9.8	668	5.6
Assistance to Aged Persons	9,124	26.8	776	6.5
Assistance to Children	518	1.5	302	2.5
Day Nurseries	95	0.3	15	0.1
Subtotal	13,057	38.4	1,761	14.7
RECREATION AND CULTURAL SERVICES				
Other Cultural	50	0.2	33	0.3
Subtotal	50	0.2	33	0.3
PLANNING AND DEVELOPMENT				
Planning and Zoning	653	1.9	404	3.4
Commercial and Industrial	553	1.6	414	3.5
Agriculture & Reforestation	109	0.3	45	0.4
Subtotal	1,315	3.8	863	7.3
Total	34,038	100.0	11,989	100.0

*Excludes Home Care Programme, which is 100% Funded by Province

Source: 1987 Financial Information Returns

TABLE 2.1

Residential Taxable Assessment as a Percentage of Total Taxable Assessment for the Region of Haldimand-Norfolk Compared to Other Municipal Sectors

	1987 Residential Taxable Assessment ($000)	1987 Commercial Taxable Assessment ($000)	1987 Total Taxable Assessment ($000)	Residential as a % of Total Taxable Assessment (%)
City of Nanticoke	40,014	29,106	69,120	57.9
Town of Dunnville	18,789	5,124	23,913	78.6
Town of Haldimand	35,119	8,680	43,798	80.2
Town of Simcoe	22,467	13,721	36,187	62.1
Township of Delhi	34,574	4,751	39,325	87.9
Township of Norfolk	29,356	3,734	33,090	88.7
Regional Total	180,318	65,116	245,434	73.5
Surrounding Upper Tiers*				
Region of Niagara	7,292,544	3,559,456	10,852,000	67.2
Region of Hamilton-Went.	8,267,745	4,677,255	12,885,000	63.7
County of Brant	1,952,578	944,422	2,897,000	67.4
County of Oxford	1,896,128	859,872	2,756,000	68.8
County of Elgin	1,512,000	588,000	2,100,000	72.0
Total for all Regions*	97,671,278	42,761,926	140,433,205	69.5
Total for all Counties*	63,871,681	23,348,661	87,220,342	73.2
Province-wide Total*	236,976,173	126,484,215	363,460,388	65.2

Note
- Total for all Regions excludes Metropolitan Toronto and District of Muskoka.
- Total for all counties includes County of Oxford.

* To recognize valuations in assessment base years, all data presented in equalized terms.

TABLE 2.2

Growth in Equalized Assessment Per Household for the Region of Haldimand-Norfolk Compared to Other Municipal Sectors

	1981 Equalized Assessment ($000's)	1981 Equalized Assessment Per Hsehld	1987 Equalized Assessment ($000's)	1987 Equalized Assessment Per Hsehld	1981 to 1987 % Change
City of Nanticoke	679,316	85,095	873,000	105,123	23.5
Town of Dunnville	237,561	49,523	302,000	62,408	26.0
Town of Haldimand	419,775	63,077	553,000	78,208	24.0
Town of Simcoe	358,005	66,929	457,000	82,313	23.0
Township of Delhi	434,733	70,062	497,000	79,608	13.6
Township of Norfolk	377,168	82,136	418,000	92,660	12.8
Regional Total	2,506,558	70,441	3,099,000	84,883	20.5
Surrounding Upper Tiers					
Region of Niagara	7,639,312	55,966	10,852,000	75,876	35.6
Region of Hamilton-Went.	8,732,392	56,671	12,885,000	78,755	39.0
County of Brant	2,251,635	61,286	2,897,000	75,907	23.9
County of Oxford	2,350,997	78,153	2,756,000	89,082	14.0
County of Elgin	1,737,087	66,783	2,100,000	79,176	18.6
Total for all Regions	77,029,020	69,414	140,433,000	109,294	57.5
Total for all Counties	63,124,661	59,161	87,220,000	77,162	30.4
Province-wide Total	214,922,554	66,148	363,460,000	102,514	55.0

Note . Total for all Regions excludes Metropolitan Toronto and District of Muskoka.

. Total for all Counties includes County of Oxford.

(Source: Summary of Ontario Municipal Statistics, Ministry of Municipal Affairs)

TABLE 2.3

Average Gross Residential Property Taxation Per Household* As Compared To Other Municipal Sectors

		Municipal Taxes	Special Chrgs**	School Taxes	Average Per Household Taxes	1982-87 % Change	Tax To Income Ratio %
City of Nanticoke	(1982)	234	254	340	828		2.7
	(1987)	276	345	463	1,084	30.9	2.9
Town of Dunnville	(1982)	313	264	310	887		3.1
	(1987)	411	339	394	1,144	29.0	3.1
Town of Haldimand	(1982)	326	245	371	942		2.8
	(1987)	448	362	502	1,312	39.3	3.4
Town of Simcoe	(1982)	348	251	420	1,019		3.2
	(1987)	487	341	523	1,351	32.6	3.4
Township of Delhi	(1982)	229	242	363	834		2.8
	(1987)	342	335	502	1,179	41.4	3.6
Township of Norfolk	(1982)	211	301	316	828		3.3
	(1987)	275	389	446	1,110	34.1	3.8
Weighted Regional Average	(1982)	281	250	359	890		2.9
	(1987)	379	341	478	1,198	34.6	3.3
Surrounding Upper Tiers							
Region of Niagara	(1987)	617	172	517	1,306	-	3.1
Region of Hamilton-Went.	(1987)	639	276	582	1,497	-	3.5
County of Brant	(1987)	517	177	465	1,159	-	2.8
County of Oxford	(1987)	523	146	474	1,143	-	3.0
County of Elgin	(1987)	431	267	357	1,055	-	2.8
Total for all Regions	(1982)	443	115	464	1,022		2.7
	(1987)	608	172	646	1,426	39.5	2.9
Total for all Counties	(1982)	324	142	331	797		2.5
	(1987)	378	211	489	1,078	35.3	2.6
Province-wide Total	(1982)	421	109	433	963		2.7
	(1987)	571	161	646	1,378	43.1	3.0

* Average per household taxes are based on average assessment for residential units, excluding farm and seasonal dwellings.

** Special charges assign the average per household charge, within each municipality, for those that receive water, sewage, garbage collection, etc.

(Source: Taxation from Municipal Analysis Retrieval System and Incomes from Table 2.4)

TABLE 2.4

Per Household Income Growth of the Region of Haldimand-Norfolk Compared to Other Municipal Sectors

	1982 Actual Income	% of Provincial Average	1987 Projected Income*	% Change 1982-87	% of Provincial Average
City of Nanticoke	30,766	85.94	37,203	20.92	81.04
Town of Dunnville	28,955	80.88	36,550	26.23	79.62
Town of Haldimand	33,177	92.67	39,161	18.04	85.31
Town of Simcoe	31,971	89.31	40,031	25.21	87.20
Township of Delhi	29,558	82.56	33,069	11.88	72.04
Township of Norfolk	25,335	70.77	29,262	15.50	63.74
Regional Total	30,248	84.49	36,550	20.83	79.62
Surrounding Upper Tiers					
Region of Niagara	33,000	92.18	42,207	27.90	91.94
Region of Hamilton-Went.	34,200	95.53	43,077	25.96	93.84
County of Brant	31,300	87.43	40,684	29.98	88.63
County of Oxford	30,100	84.08	38,508	27.93	83.89
County of Elgin	29,200	81.56	37,747	29.27	82.23
Total for all Regions	37,632	105.12	48,407	28.63	105.45
Total for all Counties	31,385	87.67	40,741	29.81	88.75
Province-wide Total	35,800	100.00	45,905	28.23	100.00

* 1987 Household incomes projected on the basis of actual 1985 incomes inflated by 8.78%.

Note . Total for all Regions excludes Metropolitan Toronto and District of Muskoka.
. Total for all Counties includes County of Oxford.

(Source: Statistics Canada - average income per filer adjusted by Ministry of Municipal Affairs by provincial average of 1.78 filers per household)

TABLE 2.5

Distribution of Property Tax Responsibility
(Based on Actual Residential Mill Rates for a Public School Supporter)

		% Proportion For			
		Local Purposes	Regional Purposes	Education Purposes	Total Distribution
City of Nanticoke (Haldimand)	(1980):	21.9	21.1	57.0	100.0
	(1983):	18.9	23.2	57.9	100.0
	(1987):	17.0	22.3	60.7	100.0
City of Nanticoke (Norfolk)	(1980):	21.1	20.3	58.7	100.0
	(1983):	18.0	22.1	59.8	100.0
	(1987):	15.9	20.8	63.4	100.0
Town of Dunnville	(1980):	31.4	16.1	52.6	100.0
	(1983):	32.1	17.2	50.7	100.0
	(1987):	32.0	18.3	49.8	100.0
Town of Haldimand	(1980):	29.2	15.8	55.0	100.0
	(1983):	24.2	19.4	56.4	100.0
	(1987):	25.5	20.0	54.5	100.0
Town of Simcoe	(1980):	31.0	16.9	52.1	100.0
	(1983):	28.5	16.7	54.8	100.0
	(1987):	31.3	17.0	51.7	100.0
Township of Delhi	(1980):	24.0	18.1	57.9	100.0
	(1983):	20.1	18.0	61.9	100.0
	(1987):	21.0	19.5	59.5	100.0
Township of Norfolk	(1980):	24.4	18.2	57.4	100.0
	(1983):	20.1	18.6	61.2	100.0
	(1987):	17.7	20.3	62.0	100.0
Overall For Regional Area	(1980):	27.7	18.6	53.7	100.0
Based on Tax Levies	(1983):	24.4	20.1	55.5	100.0
Each Year	(1987):	23.1	19.7	57.2	100.0

Note: Above analysis does not include any charges for sewage and water purposes.

TABLE 2.6

Region of Haldimand - Norfolk
Comparison of 1987 and 1977 Actual Revenue Fund Expenditures

	Expenditures						% change 1987 vs. 1977		
	1977 Region of Haldimand-Norfolk $	1977 Six Area Mun. $	1977 Total For All Mun. $	1987 Region of Haldimand-Norfolk $	1987 Six Area Mun. $	1987 Total For All Mun. $	Region of Haldimand-Norfolk %	Six Area Mun. %	Total For All Mun. %
General Government	1,037,954	1,969,157	3,007,111	3,031,193	5,018,715	8,049,908	192.04	154.87	167.70
Police	2,339,914	0	2,339,914	5,792,544	0	5,792,544	147.55	--	147.55
Fire	2,826	1,094,874	1,097,700	7,129	2,152,665	2,159,794	152.26	96.61	96.76
Conservation Authorities	224,018	5,025	229,043	502,143	0	502,143	124.15	--	119.24
Other Protection	354,036	228,526	582,562	615,881	414,824	1,030,705	73.96	81.52	76.93
Transportation	2,636,550	6,492,333	9,128,883	5,268,598	11,522,947	16,791,545	99.83	77.49	83.94
Sewage/Storm Sewers	1,796,349	33,191	1,829,540	4,554,970	193,544	4,748,514	153.57	483.12	159.55
Water	1,529,202	0	1,529,202	4,153,055	0	4,153,055	171.58	--	171.58
Waste Disposal/Collection	392,091	403,752	795,843	1,398,400	1,228,092	2,626,492	256.65	204.17	230.03
Public Health	884,175	8,958	893,133	2,441,911	28,849	2,470,760	176.18	222.05	176.64
Other Health	245,170	191,541	436,711	410,685	389,561	800,246	67.51	103.38	83.24
Assistance - General	737,456	0	737,456	3,320,128	200	3,320,328	350.21	--	350.24
Assistance - Elderly	3,185,043	28,759	3,213,802	9,123,713	57,528	9,181,241	186.45	100.03	185.68
Children's Aid	145,798	0	145,798	517,835	340	518,175	255.17	--	255.41
Day Nurseries	83,409	0	83,409	95,464	0	95,464	14.45	--	14.45
Parks & Recreation	0	2,072,824	2,072,824	0	5,059,426	5,059,426	--	144.08	144.08
Museums and Libraries	18,965	480,220	499,185	49,788	1,423,801	1,473,589	162.53	196.49	195.20
Planning & Development	823,028	465,493	1,288,521	1,297,671	1,581,281	2,878,952	57.67	239.70	123.43
Total Expenditures	16,435,984	13,474,653	29,910,637	42,581,108	29,071,773	71,652,881	159.07	115.75	139.56

Source: Revenue Fund Expenditures from 1977 and 1987 Municipal Analysis Retrieval System (MARS).

TABLE 2.6

Region of Haldimand - Norfolk
Comparison of 1987 and 1977 Actual Revenue Fund Expenditures

	Expenditures						% change 1987 vs. 1977		
	1977 Region of Haldimand-Norfolk	1977 Six Area Mun.	1977 Total For All Mun.	1987 Region of Haldimand-Norfolk	1987 Six Area Mun.	1987 Total For All Mun.	Region of Haldimand-Norfolk	Six Area Mun.	Total For All Mun.
	$	$	$	$	$	$	%	%	%
General Government	1,037,954	1,969,157	3,007,111	3,031,193	5,018,715	8,049,908	192.04	154.87	167.70
Police	2,339,914	0	2,339,914	5,792,544	0	5,792,544	147.55	--	147.55
Fire	2,826	1,094,874	1,097,700	7,129	2,152,665	2,159,794	152.26	96.61	96.76
Conservation Authorities	224,018	5,025	229,043	502,143	0	502,143	124.15	--	119.24
Other Protection	354,036	228,526	582,562	615,881	414,824	1,030,705	73.96	81.52	76.93
Transportation	2,636,550	6,492,333	9,128,883	5,268,598	11,522,947	16,791,545	99.83	77.49	83.94
Sewage/Storm Sewers	1,796,349	33,191	1,829,540	4,554,970	193,544	4,748,514	153.57	483.12	159.55
Water	1,529,202	0	1,529,202	4,153,055	0	4,153,055	171.58	--	171.58
Waste Disposal/Collection	392,091	403,752	795,843	1,398,400	1,228,092	2,626,492	256.65	204.17	230.03
Public Health	884,175	8,958	893,133	2,441,911	28,849	2,470,760	176.18	222.05	176.64
Other Health	245,170	191,541	436,711	410,685	389,561	800,246	67.51	103.38	83.24
Assistance - General	737,456	0	737,456	3,320,128	200	3,320,328	350.21	--	350.24
Assistance - Elderly	3,185,043	28,759	3,213,802	9,123,713	57,528	9,181,241	186.45	100.03	185.68
Children's Aid	145,798	0	145,798	517,835	340	518,175	255.17	--	255.41
Day Nurseries	83,409	0	83,409	95,464	0	95,464	14.45	--	14.45
Parks & Recreation	0	2,072,824	2,072,824	0	5,059,426	5,059,426	--	144.08	144.08
Museums and Libraries	18,965	480,220	499,185	49,788	1,423,801	1,473,589	162.53	196.49	195.20
Planning & Development	823,028	465,493	1,288,521	1,297,671	1,581,281	2,878,952	57.67	239.70	123.43
Total Expenditures	16,435,984	13,474,653	29,910,637	42,581,108	29,071,773	71,652,881	159.07	115.75	139.56

Source: Revenue Fund Expenditures from 1977 and 1987 Municipal Analysis Retrieval System (MARS).

TABLE 2.7

Region of Haldimand-Norfolk 1977 Projected Revenue Fund Expenditures Expressed in 1987 Terms and Recognizing Inflation (106.5%) and Household Growth (5.1%)

	Projected 1977 Expenditures in 1987 Terms*			1987 Actual Expenditures			Percentage Change 1987 vs 1987 in Constant 1987 Dollars (Recognizing Inflation and Growth in Households)*		
	1977 Region of Haldimand-Norfolk Expenditures In 1987 Terms $	1977 Six Area Municipalities Expenditures In 1987 Terms $	1977 Total For All Municipalities Expenditures In 1987 Terms $	1987 Region of Haldimand-Norfolk $	1987 Six Area Mun. $	1987 Total For All Mun. $	Region of Haldimand-Norfolk %	Six Area Mun. %	Total For All Mun. %
General Government	2,196,311	4,166,736	6,363,047	3,031,193	5,018,715	8,049,908	38.01	20.45	26.51
Police	4,951,258	0	4,951,258	5,792,544	0	5,792,544	16.99	--	16.99
Fire	5,980	2,316,753	2,322,733	7,129	2,152,665	2,159,794	19.22	(7.08)	(7.01)
Conservation Authorities	474,022	10,633	484,655	502,143	0	502,143	5.93	--	3.61
Other Protection	749,140	483,561	1,232,701	615,881	414,824	1,030,705	(17.79)	(14.21)	(16.39)
Transportation	5,578,940	13,737,777	19,316,716	5,268,598	11,522,947	16,791,545	(5.56)	(16.12)	(13.07)
Sewage/Storm Sewers	3,801,074	70,232	3,871,307	4,554,970	193,544	4,748,514	19.83	175.58	22.66
Water	3,235,791	0	3,235,791	4,153,055	0	4,153,055	28.35	--	28.35
Waste Disposal/Collection	829,665	854,339	1,684,004	1,398,400	1,228,092	2,626,492	68.55	43.75	55.97
Public Health	1,870,914	18,955	1,889,869	2,441,911	28,849	2,470,760	30.52	52.20	30.74
Other Health	518,780	405,301	924,080	410,685	389,561	800,246	(20.84)	(3.88)	(13.40)
Assistance - General	1,560,457	0	1,560,457	3,320,128	200	3,320,328	112.77	--	112.78
Assistance - Elderly	6,739,551	60,854	6,800,405	9,123,713	57,528	9,181,241	35.38	(5.47)	35.01
Children's Aid	308,509	0	308,509	517,835	340	518,175	67.85	--	67.96
Day Nurseries	176,493	0	176,493	95,464	0	95,464	(45.91)	--	(45.91)
Parks & Recreation	0	4,386,096	4,386,096	0	5,059,426	5,059,426	--	15.35	15.35
Museums and Libraries	40,130	1,016,146	1,056,275	49,788	1,423,801	1,473,589	24.07	40.12	39.51
Planning & Development	1,741,527	984,983	2,726,510	1,297,671	1,581,281	2,878,952	(25.49)	60.54	5.59
Total Expenditures	34,778,542	28,512,366	63,290,908	42,581,108	29,071,773	71,652,881	22.43	1.96	13.21

* **Note:** To recognize inflationary increases during the 10-year period, dollar and % changes have been escalated by 106.5%, which represents the Ontario C.P.I. change (Office of Economic Policy, Ministry of Treasury and Economics) and also 5.1%, which represents the overall growth in households during this period (34,728 to 36,512).